

FLORIDA  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

*Fiscal Year Ended June 30, 2013*



JEFF ATWATER | CHIEF FINANCIAL OFFICER  
FLORIDA DEPARTMENT of FINANCIAL SERVICES

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## **SPECIAL APPRECIATION**

Special appreciation is given to all fiscal and accounting personnel throughout the State of Florida who contributed financial information for their agencies and component units.

The report cover was designed by the Publications Unit, Division of Consumer Services, Department of Financial Services.

# STATE OF FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2013



Rick Scott  
GOVERNOR

Jeff Atwater  
CHIEF FINANCIAL OFFICER

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES**

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# **INTRODUCTORY SECTION**



CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**  
STATE OF FLORIDA

February 21, 2014

Citizens of the State of Florida  
The Honorable Rick Scott, Governor  
The Honorable Don Gaetz, President of the Senate  
The Honorable Will Weatherford, Speaker of the House of Representatives

To the Citizens of Florida, Governor Scott, President Gaetz, and Speaker Weatherford:

I am pleased to submit the State of Florida's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013, in accordance with Section 216.102(3), Florida Statutes (F.S.). This report is prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control. The objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The concept of reasonable assurance ensures that the costs do not exceed the benefits derived.

The Auditor General has issued an opinion on the state's financial statements for the fiscal year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE STATE**

Florida's Constitution divides the governmental structure of the state into three independent branches. The Legislative Branch has exclusive lawmaking power for the state. The Executive Branch, consisting of the Governor, Cabinet, and their agencies, administers the laws made by the Legislature. The Governor shares executive power and responsibility with the Cabinet, which is composed of the Attorney General, Chief Financial Officer, and Commissioner of Agriculture. The Judicial Branch interprets the law and applies the Constitution. The organizational chart following this letter provides an overview of the state's structure. Florida's government provides a range of services to its citizens including education, health and family services, transportation, law and corrections, natural resources and environmental protection.

The financial reporting entity of the state includes the primary government as well as component units for which the state is either financially accountable or a relationship exists with the state such that exclusion would cause the financial statements to be misleading. Refer to Note 1 to the financial statements for a listing of Florida's component units and the Financial Section of the report to obtain an overview of their financial positions.

Florida's budget is prepared using the processes set forth in Chapter 216, F.S. The major phases of the budget process are detailed in the Other Required Supplementary Information Section of this report. Florida law strictly prohibits overspending and requires budgetary control to be maintained at the individual appropriation account level.

## **ECONOMIC CONDITION**

Florida marked the conclusion of its fourth year of positive growth in general fund collections in June 2013. This milestone followed three consecutive years of declines during the Great Recession and indicated that the state was nearing the end of its recovery process and approaching normalcy. The state's Economic Estimating Conference confirmed in November that Florida's economy is continuing to improve as expected—with the caveat that the strength of future growth is still largely contingent on both the national economy's ability to deal with the actual implementation of the federal Bipartisan Budget Act and the pending resolution of the debt ceiling debate. If final agreement is reached and any negative consequences are contained, the Conference expects that the growth in Florida will continue—allowing more normal economic and fiscal patterns to emerge sometime prior to the 2016-17 fiscal year.

Meanwhile, Florida's population growth and other key indicators continue to improve. Florida's real Gross Domestic Product in 2012 showed that the state's economic growth was in positive territory for the third year in a row since the end of the Great Recession. The state's ranking improved to 14<sup>th</sup> in the nation in real growth with a gain of 2.4 percent, just slightly below the national average of 2.5 percent. On the more real-time measure of personal income, the results were similar: Florida finished the 2012 calendar year with 3.2 percent growth over 2011, putting the state only slightly below the national growth rate of 3.5 percent. After declining in the first quarter of 2013, Florida's personal income had strong growth (1.5%) in the second quarter; however the state's second-place ranking was largely caused by a return to normalcy after an artificial decline. The third quarter data has largely washed out these anomalies, showing that Florida's better than average growth rate was ranked 8<sup>th</sup> in the country. For fiscal year 2013-2014, Florida's personal income is expected to reach \$837.4 billion, with 4.1 percent growth over the prior year. Moreover, new vehicle registrations and tourist visits continue to contribute strongly to Florida's economic recovery. In response to all of this, the state's revenue collections are continuing to grow over the prior year.

The level of employment in Florida continues to improve from the low levels of the Great Recession. For the third quarter of the 2013 calendar year, total non-farm employment stood at 7.54 million jobs. The forecast indicates that non-farm employment will add approximately 138 thousand jobs during the course of the 2013-14 fiscal year, representing a 1.9 percent increase over the prior fiscal year. Similar to the job creation numbers, Florida's unemployment rate has shown real improvement over the last year and has finally dropped below the national rate. Like the nation as a whole, the rate's improvement has largely been related to changes in labor force participation; however, the Florida Legislature's Office of Economic and Demographic Research (EDR) believes this will change as the economy continues to improve. Typical economic recoveries are led by increases in lending and housing construction. Since the housing and credit markets are still sluggish compared to the years leading up to the Housing Boom, Florida's employment recovery has largely been coming from sectors other than the construction-related areas.

While it is building from very low levels, the construction sector is performing better than expected. Building permit activity, an indicator of new construction, is back in positive territory, showing strong (32.4 percent) calendar year growth in 2012. For the first eight months of the 2013 calendar year, permits were running 42.8 percent above the same timeframe in the prior year, but the level is still low by historic standards. There will be continuing improvement in starts over the forecast, reaching annual rates of 83 thousand units in state fiscal year 2013-14 and 118 thousand units in state fiscal year 2014-15. However, the peak year for starts was 2005-06 at nearly 272 thousand units.

EDR feels the long-lasting housing market correction, the bubble of foreclosures still working through the courts, and sluggish credit conditions for mortgages coupled with rising interest rates will remain the predominant drags on Florida's economy in the near-term. EDR expects that it will take another two years to fully regain the losses experienced in America's worst recession since the Great Depression. In this regard, meaningful improvement in several vital areas will lag behind the rest of Florida's economic recovery. Even so, the recovery in Florida is well underway. The subsequent turnaround in Florida housing is being led by: low home prices that are attracting new buyers and clearing the inventory; the release of pent-up demand caused by past population growth and stalled household formation; and, Florida's unique demographics and the aging of the baby-boom generation which will fuel future population growth.

As updated by EDR for recent conferences, the constitutionally required Long-Range Financial Outlook indicates that a budget gap is unlikely in the upcoming budget year, meaning that projected revenues are sufficient to address anticipated expenditures. The Long-Range Financial Outlook also identifies potential obligations of the Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation as significant risks to the forecast. Refer to Note 14 to the financial statements for additional information related to the state's insurance enterprises.

## ACKNOWLEDGEMENTS

Preparation of the CAFR requires a significant investment of time and resources of fiscal and accounting personnel throughout the state. We appreciate all the contributions made to this effort.

Sincerely,



Jeff Atwater  
Chief Financial Officer

JA:pjb



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# **FINANCIAL SECTION**



DAVID W. MARTIN, CPA  
AUDITOR GENERAL

# AUDITOR GENERAL STATE OF FLORIDA

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The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida as of and for the fiscal year ended June 30, 2013, and related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of:

- ◆ The Prepaid College Program Fund, which is both a major enterprise fund and 35 percent and 1 percent, respectively, of the assets and revenues of the business-type activities.
- ◆ The Florida Turnpike System, which is 94 percent and 88 percent, respectively, of the assets and revenues of the Transportation major enterprise fund.
- ◆ The Hurricane Catastrophe Fund, which is both a major enterprise fund and 32 percent and 11 percent, respectively, of the assets and revenues of the business-type activities.
- ◆ The College Savings Plan and the trust funds maintained by the State Board of Administration to account for the investments of the Florida Retirement System and the Public Employee Optional Retirement Program, which collectively represent 88 percent of the assets and 57 percent of the revenues/additions of the aggregate remaining fund information.
- ◆ The Florida Housing Finance Corporation, Citizens Property Insurance Corporation, component units related to the State's universities and community colleges, and certain other funds and entities that, in the aggregate, represent 69 percent and 46 percent, respectively, of the assets and revenues of the discretely presented component units.

Financial statements for the above-listed funds and entities were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for these funds and entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1 I. to the financial statements, for the 2012-13 fiscal year the State adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis on pages 14 through 20 and the budgetary information, the funding and contribution information for pension and other postemployment benefits, and information on infrastructure using the modified approach on pages 148 through 159 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods

of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The introductory section, on pages 6 through 8, and the combining and individual fund statements and related budgetary comparison schedules and the statistical section, on pages 163 through 273, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual fund statements and related budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the combining and individual fund statements and related budgetary comparison schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2014, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance. That report will be included as part of our separately issued report entitled *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards*.

Respectfully submitted,



David W. Martin, CPA  
Tallahassee, Florida  
February 21, 2014

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The information contained in the Management's Discussion and Analysis (MD&A) introduces the basic financial statements and provides an analytical overview of the State of Florida's (the state's) financial activities and performance for the fiscal year ended June 30, 2013 (fiscal year 2012-13). Please read the MD&A in conjunction with the state's financial statements that are presented in the Financial Section of this Comprehensive Annual Financial Report (CAFR).

### Financial Statements Overview

The state's basic financial statements are comprised of the following elements:

#### Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the state's overall financial condition. Changes in the state's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the state's net position changed during the fiscal year is presented in the Statement of Activities. Financial information for the state's component units is also presented.

#### Fund Financial Statements

Fund financial statements for governmental and proprietary funds focus on individual parts of the state, reporting the state's operations in more detail than what is reported in the government-wide financial statements. Fund financial statements for fiduciary funds are also included to provide financial information related to the state's fiduciary activities.

#### Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the government-wide and fund financial statements. Refer to Note 1 to the financial statements for more information on the elements of the financial statements. Table 1 below summarizes the major features of the basic financial statements.

<b>Table 1: Major Features of the Basic Financial Statements</b>				
	<b>Government-wide Financial Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire state government (except fiduciary funds) and the state's component units	Activities of the state that are not proprietary or fiduciary	Activities of the state that are operated similar to private businesses	Instances in which the state is the trustee or agent for someone else's resources
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	<ul style="list-style-type: none"> <li>• Revenues for which cash is received during or soon after the end of the year</li> <li>• Expenditures when goods or services have been received and payment is due during the year or soon thereafter</li> </ul>	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

## Condensed Government-wide Financial Statements and Overall Financial Analysis

### Statement of Net Position

Table 2 below presents the state's Condensed Statement of Net Position as of June 30, 2013, and 2012, derived from the government-wide Statement of Net Position. The state's net position at the close of the fiscal year was \$57.3 billion for governmental activities and \$17.3 billion for business-type activities, which was a combined total of \$74.6 billion for the primary government. The three components of net position include net investments in capital assets; restricted; and unrestricted. The largest component, totaling \$65.8 billion as of June 30, 2013, reflects net investments in capital assets. The state uses these capital assets to provide services to the citizens and businesses in the state; consequently, this component of net position is not available for future spending. Restricted net position is the next largest component, totaling \$18.7 billion as of June 30, 2013. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Governmental activities reflect a negative or deficit fund balance in unrestricted net position of \$10.8 billion at June 30, 2013. This deficit primarily results from education-related bonds for which the state is responsible for the liability, while the related assets are owned by local school districts and are, therefore, not included in the state's financial statements. Refer to Note 8 to the financial statements, Governmental Activities – Unrestricted Net Asset Deficit, for more information.

Business-type activities reflect a restricted net position of \$10.6 billion at June 30, 2013, an increase of \$3.2 billion over the prior year. The increase in the restricted net position over that reported in prior years is explained in the Major Fund Analysis, Proprietary Funds section that follows.

**Table 2: Condensed Statement of Net Position**  
**As of June 30**  
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 24,086	\$ 22,010	\$ 29,340	\$ 29,613	\$ 53,426	\$ 51,623
Capital assets, net	66,378	64,503	8,788	8,328	75,166	72,831
Total assets	90,464	86,513	38,128	37,941	128,592	124,454
Other liabilities	7,527	7,397	4,174	9,067	11,701	16,464
Noncurrent liabilities	25,589	26,340	16,525	15,483	42,114	41,823
Total liabilities	33,116	33,737	20,699	24,550	53,815	58,287
Total deferred inflows of resources	.....	.....	140	.....	140	.....
Net position:						
Net investments in capital						
assets	59,994	58,404	5,841	5,366	65,835	63,770
Restricted	8,128	7,807	10,559	7,408	18,687	15,215
Unrestricted	(10,774)	(13,435)	889	617	(9,885)	(12,818)
Total net position	\$ 57,348	\$ 52,776	\$ 17,289	\$ 13,391	\$ 74,637	\$ 66,167

**Statement of Activities**

Table 3 presents the state's Condensed Statement of Activities for fiscal year 2012-13 and fiscal year 2011-12, as derived from the government-wide Statement of Activities. Over time, increases and decreases in the net position measure whether the state's financial position is improving or deteriorating. The state's total net position increased during the fiscal year by \$8.4 billion. The net position of governmental activities increased by \$4.6 billion and the net position of business-type activities increased by \$3.8 billion. The majority of the increase in total program expenses for governmental activities relates to a \$1.1 billion increase in Human Services expenses, while the largest declines in business-type activities expenses are the \$2.2 billion decrease in Prepaid College Program expenses and the \$1.0 billion decrease in Reemployment Assistance expenses. Refer to the Major Fund Analysis section for information regarding the overall increase in revenues from governmental activities.

**Table 3: Condensed Statement of Activities**  
**For the Fiscal Year Ended June 30**  
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues						
Charges for services	\$ 8,450	\$ 8,430	\$ 9,892	\$ 11,146	\$ 18,342	\$ 19,576
Operating grants and contributions	25,853	23,925	1,443	2,165	27,296	26,090
Capital grants and contributions	2,022	2,036	6	.....	2,028	2,036
Total program revenues	36,325	34,391	11,341	13,311	47,666	47,702
General revenues and payments						
Sales and use tax	19,915	18,633	.....	.....	19,915	18,633
Other taxes	12,338	11,839	.....	.....	12,338	11,839
Investment earnings (loss)	104	288	1	5	105	293
Emergency assessments	.....	.....	490	457	490	457
Miscellaneous	.....	.....	1	1	1	1
Total general revenues and payments	32,357	30,760	492	463	32,849	31,223
Total revenues	68,682	65,151	11,833	13,774	80,515	78,925
Program expenses						
General government	6,430	6,343	.....	.....	6,430	6,343
Education	17,807	17,696	.....	.....	17,807	17,696
Human services	30,771	29,650	.....	.....	30,771	29,650
Criminal justice and corrections	4,187	4,246	.....	.....	4,187	4,246
Natural resources and environment	2,374	2,266	.....	.....	2,374	2,266
Transportation	3,543	3,614	426	422	3,969	4,036
State courts	456	409	.....	.....	456	409
Lottery	.....	.....	3,620	3,188	3,620	3,188
Hurricane Catastrophe Fund	.....	.....	(95)	114	(95)	114
Prepaid College Program	.....	.....	(149)	2,010	(149)	2,010
Reemployment Assistance	.....	.....	2,390	3,407	2,390	3,407
Nonmajor enterprise funds	.....	.....	287	257	287	257
Indirect interest on long-term debt	6	6	.....	.....	6	6
Total program expenses	65,574	64,230	6,479	9,398	72,053	73,628
Excess (deficiency) before gain (loss) and transfers	3,108	921	5,354	4,376	8,462	5,297
Gain (loss) on sale of capital assets	(63)	(21)	(5)	(1)	(68)	(22)
Transfers	1,534	1,453	(1,534)	(1,452)	.....	1
Change in net position	4,579	2,353	3,815	2,923	8,394	5,276
Beginning net position, as restated (Note 1)	52,693	50,462	13,474	10,468	66,167	60,930
Prior period adjustments	76	(39)	.....	.....	76	(39)
Ending net position	\$ 57,348	\$ 52,776	\$ 17,289	\$ 13,391	\$ 74,637	\$ 66,167

## Major Fund Analysis

### Governmental Funds

The state's governmental funds reported a combined ending fund balance of \$15.7 billion at June 30, 2013, which represented a \$1.8 billion or 12.9 percent growth from the prior year. Revenues increased by \$3.4 billion or 5.3 percent, other financing sources and uses decreased by \$38 million or 1.5 percent, and expenditures increased by \$1.8 billion or 2.7 percent. Overall increases in revenues and expenditures were primarily attributable to the rise in tax revenues and the increase in federal grants and donations received and expended. Information is provided below regarding major funds with significant variances relative to the prior year.

**General Fund** – Fund balance at June 30, 2013, totaled \$6.2 billion, an increase of \$1.4 billion or 28.3 percent. Revenues and other financing sources rose \$1.8 billion or 6.3 percent predominantly due to the growth in sales and use taxes and documentary stamp taxes. Conditions surrounding this increase are discussed further in the Economic Factors Section that follows. Expenditures and other financing uses increased \$1.7 billion or 6.0 percent from the prior year. Significant expenditure increases were made in the following areas: human services - \$749 million and education - \$650 million.

**Health and Family Services** – Fund balance at June 30, 2013, totaled \$1.6 billion, which represented a growth of \$481 million or 41.6 percent from the prior year. Revenues and other financing sources increased \$1.7 billion or 7.4 percent primarily due to more grants and donations revenues as a result of an increased federal participation in health care. Expenditures and other financing uses increased \$155 million or 0.6 percent primarily due to the continued expansion in current expenditures for health care and supplemental nutrition assistance issuance.

### Proprietary Funds

The state's proprietary funds reported a combined ending net position of \$17.3 billion at June 30, 2013, of which \$5.8 billion is the net investments in capital assets, and \$10.6 billion is restricted for specific purposes. The remaining \$889 million was unrestricted and available for purposes of the various funds. Information is provided below regarding major funds with significant variances relative to the prior year.

**Reemployment Assistance** – This fund reported a net position of \$1.2 billion at June 30, 2013, an increase of \$1.3 billion. Revenues decreased by \$719 million or 16.4 percent, while expenses declined by \$1.0 billion or 29.8 percent. Revenues decreased as a result of a continued reduction of federal funds to cover the Federal Extended Unemployment Compensation program during the fiscal year. The reduction in expenses relative to the prior year is due to a significant decrease in benefit payments as the economy and unemployment rate in Florida improved.

**Hurricane Catastrophe Fund** – The net position at June 30, 2013, totaled \$8.3 billion, an improvement of approximately \$1.9 billion or 29.1 percent. The increase in net position remained fairly consistent with the increase in the prior year as year-over-year results of operations were \$1.4 billion of operating income. Net premium revenues and other operating revenues remained consistent with the prior year and the fund did not incur any hurricane losses. See Note 14 to the financial statements for additional information on this fund.

**Prepaid College Program** – The net position at June 30, 2013, totaled \$830 million, an increase of approximately \$265 million or 46.9 percent. Revenues decreased by \$1.9 billion while expenses declined by \$2.2 billion. The decline in revenues was primarily due to the decrease in fair value of fixed income investments, while expenses decreased primarily due to a change in the actuarial determination of the present value of future benefit payments. The overall increase in market interest rates during the fiscal year contributed to both the decreasing fair value of fixed income investments and the reduction in the actuarially determined present value of future benefit payments. Please see Note 13 for more information.

### General Fund Budget Variances

Budgeted expenditures are based on revenues estimated by the Revenue Estimating Conference and other sources. Original expenditures are budgeted for less than total expected available resources. There was a \$729 million increase between the original and final estimated revenues. Final budgeted total expenditures decreased by \$332 million from the original budget. Variances between the original and final budget or between the final budgeted and actual amounts are not expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the Budgetary Comparison Schedule for the General Fund in the Other Required Supplementary Information section of the CAFR.

## **Capital Asset and Long-term Debt Activity**

### **Capital Asset Activity**

At June 30, 2013, the state reported \$66.4 billion in net capital assets for governmental activities and \$8.8 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year 2011-12 to fiscal year 2012-13 by approximately 3.2 percent. Consistent with prior years, the increase is primarily due to land acquisition and the capitalization of construction costs for infrastructure projects. Capitalized infrastructure projects include additions to and/or enhancements of roadways and bridges on the state's highway system. Construction commitments by the Florida Department of Transportation were approximately \$7.4 billion. Construction commitments by other state agencies for major projects including office buildings and correctional facilities decreased by \$65 million compared to the prior year. Refer to Note 5 to the financial statements for information on capital assets and Note 7 to the financial statements for information on construction commitments.

### **Long-term Debt Activity**

Total bonded debt outstanding decreased by \$3.3 billion, or approximately 11 percent, from the prior fiscal year to a total of \$25.6 billion at June 30, 2013. The majority of the outstanding debt serves to finance educational facilities (\$14.7 billion), the Florida Hurricane Catastrophe Fund (\$3.3 billion) and transportation infrastructure (\$5.0 billion). New and refinanced bonded debt issues for 2013 totaled \$4.2 billion. Annual debt service payments on net tax-supported debt totaled \$2.2 billion for 2013, which is approximately the same as the prior year. Annual debt service requirements are projected to decrease by \$300 million to approximately \$1.9 billion for fiscal year 2014 due to the retirement of the Preservation 2000 bonds. Projected debt service is expected to remain at approximately \$1.9 billion as a result of limited new-money debt issuance and ongoing refinancing activities to achieve debt service savings.

The state maintained its credit ratings during the past year. During the fiscal year ended June 30, 2013, the three major rating agencies, Standard & Poor's Rating Services, Fitch Ratings, and Moody's Investors Service, each affirmed the state's AAA, AAA, and Aa1 general obligation ratings, respectively. Fitch revised its outlook on the rating from negative to stable while Moody's Investors Service and Standard & Poor's Rating Services affirmed the state's stable outlook. The state's benchmark debt ratio of debt service to revenues available to pay debt service improved to 6.79 percent in fiscal year 2013 from 7.14 percent in fiscal year 2012. The improvement is directly related to the increased revenue available to pay debt service. For the first time in several years, the benchmark debt ratio is slightly below the 7 percent policy cap.

Section 11 of Article VII of the State Constitution authorizes the state to issue general obligation bonds or revenue bonds to finance or refinance fixed capital outlay projects authorized by law. General obligation bonds are secured by the full faith and credit of the state and payable from specified taxes. Revenue bonds are payable solely from specified revenues. The responsibility to issue most state bonds rests with the Division of Bond Finance of the State Board of Administration. However, certain quasi-governmental entities also incur debt and are reported as part of the primary government. See the *State of Florida 2013 Debt Affordability Report* for more detailed information about the state's debt position. The report can be found at [www.sbafla.com/bondfinance](http://www.sbafla.com/bondfinance) or by contacting the Division of Bond Finance, 1801 Hermitage Boulevard, Suite 200, Tallahassee, Florida 32308, (850) 488-4782. Additional information on long-term debt is also found in Notes 8, 9, and 10 to the financial statements and the Statistical Section of this report.

### **Infrastructure Accounted for Using the Modified Approach**

The state elected to use the modified approach to account for roadways, bridges, and other infrastructure assets of the State Highway System. Under this approach, the Florida Department of Transportation (FDOT) committed to maintain these assets at levels established by FDOT and approved by the Florida Legislature. No depreciation expense is reported for these assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. FDOT maintains an inventory of these assets and performs periodic assessments to establish that predetermined condition levels are being maintained. The condition assessments performed during fiscal year 2012-13 show that the roadways and bridges of the State Highway System are being maintained at or near FDOT standards. These condition assessments were consistent with condition assessments conducted during past years. In addition, FDOT makes annual estimates of the amounts that must be expended to maintain the roadways and bridges included on the State Highway System at the predetermined condition levels. These estimates are based on the FDOT five-year plan that is revised as projects are added, deleted, adjusted, or postponed.

Refer to the Other Required Supplementary Information of the CAFR for information on FDOT's established condition standards, recent condition assessments, and other information on infrastructure reported on the modified approach.

### Economic Factors

General fund tax collections for the fiscal year ended June 30, 2013, were 6.1 percent higher than the prior fiscal year. Higher than any growth rate seen since Fiscal Year 2005-06 during the peak of Florida's housing boom, this growth rate embodies the steady improvement seen since the end of the Great Recession. As was true last year, the growth came from gains in virtually all of the major sources supporting the general fund. Most importantly, total sales tax revenue — the state's primary source of general revenue — grew 6.4 percent from Fiscal Year 2011-12 to Fiscal Year 2012-13. While the economic recovery was gradual with relatively modest gains in employment and personal income, signs of continued strengthening were clearly underway by the end of the fiscal year. However, the general fund collections were still below those of the 2005-06 peak collection year at 87.9 percent of that level.

Several revenue sources have closely tracked the ebb and flow of the state's overall economic conditions. Among them, documentary stamp and intangibles tax collections predominantly rely on activity in the state's real estate market. Since the end of the housing boom in 2005-06, Florida's large inventory of unsold homes and looming foreclosures have hindered meaningful recovery in the real-estate market. Seven years since the boom's height, this continues to be true although there are clear indications of improvement. For statewide existing home sales and the median sales price for existing homes, the direction was positive with both indicators exhibiting strong percentage gains over the prior year, registering 13.1 percent and 12.2 percent growth respectively. The picture had also improved for private housing starts and refinancing, allowing total documentary stamp taxes to grow 28.9 percent. This growth brought documentary stamp taxes to 41.0 percent of their prior peak. The intangibles tax, which entirely benefits the general fund, followed a similar pattern, posting a robust 46.7 percent gain. However, the collection levels, which inflate the percentage growths, are still low by historic standards.

Almost divorced from a national economy just finding strength in its recovery, national corporate profits continued to be in record-breaking territory in Fiscal Year 2012-13, and the state's corporate income tax collections have followed this direction, if not the magnitude. Still considerably below peak total receipts, Florida's corporate income tax collections grew a modest percent over the prior year.

Almost three-quarters of the state's general revenue sources posted gains over the prior year. At the end of the 2012-13 state fiscal year, overall general fund collections — which do not include a \$200.1 million deposit from the National Mortgage Settlement Agreement — were \$93.9 million above the estimate made by the state's Revenue Estimating Conference (Conference) in March 2013, leading to the 6.4 percent growth rate described above. In this regard, the general fund outperformed the class of total revenue for the state. Including federal dollars, total revenue increased by 6.0 percent over this period.

When the state's Conference met in December 2013, monthly collections for the 2013-14 state fiscal year were already above the estimates made in August 2013 by \$52.6 million. However, the monthly collections had shown mixed results — above estimate for the first two months and then virtually on estimate for the following two months — coming in less than one percent above estimate for the combined period. In addition, while the newly adopted national and Florida economic outlooks were similar to the ones adopted in the summer and spring, they were generally weaker due to the ongoing uncertainty regarding future federal actions on the budget and debt ceiling — especially in the outer years. Weighing both sets of factors, the Conference increased expected revenues by \$95.7 million — or about one-third of one percent above the earlier forecast — to recognize only the more persistent gains. State Economists are projecting that final general revenue collections will be \$965 million higher than last year to produce a 3.8 percent growth rate for the 2013-14 fiscal year. After adjusting for the National Mortgage Settlement Agreement deposit in the 2012-13 fiscal year, which the Conference included in its estimates, the projected growth rate becomes 4.6 percent. The revised projected total general revenue for the 2013-14 fiscal year is \$26.3 billion.

As a buffer against any further financial shocks or ill effects from the pending resolution of the debt ceiling debate, the latest General Revenue Outlook shows that there will be just over \$2.18 billion in unallocated general revenue remaining at the end of the current fiscal year. The state's major reserve for emergencies, the Budget Stabilization Fund, has a planned balance of at least \$924.8 million on June 30, 2014, and should increase to nearly \$1.14 billion by June 30, 2015. The anticipated increases relate to the scheduled third and fourth of five repayments of the funds previously transferred to the general fund in state fiscal year 2008-09 (\$1.07 billion in total). Refer to Note 1K, for additional information on the Budget Stabilization Fund. The other source most frequently mentioned as part of the state's informal reserve system is the Lawton Chiles Endowment Fund that had an end-of-quarter market value of \$554.8 million on September 30, 2013, bringing the total of all reserves to nearly \$3.66 billion or 13.9 percent of the state's general fund collections. According to the state's Long-Range Financial Outlook adopted in September 2013, the state is not anticipating a budget gap for the upcoming fiscal year, meaning the projected revenues should meet all anticipated needs.

**Contact the State's Financial Management**

Questions about this report or requests for additional financial information may be addressed to:

Department of Financial Services  
Bureau of Financial Reporting  
Statewide Financial Reporting Section  
200 East Gaines Street  
Tallahassee, Florida 32399-0364  
(850) 413-5511

**FINANCIAL  
SECTION:  
BASIC FINANCIAL  
STATEMENTS**

**STATEMENT OF NET POSITION****JUNE 30, 2013****(in thousands)**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 164,464	\$ 121,437	\$ 285,901	\$ 2,631,638
Pooled investments with State Treasury	13,120,139	1,877,230	14,997,369	2,619,569
Other investments	1,382,754	23,312,946	24,695,700	20,819,045
Receivables, net	4,921,382	1,225,313	6,146,695	2,137,624
Internal balances	401,826	(401,826)	.....	.....
Due from component units/primary	2,019	1,050	3,069	318,325
Inventories	57,786	4,453	62,239	67,883
Restricted cash and cash equivalents	.....	23	23	406,658
Restricted pooled investments with State Treasury	.....	67,220	67,220	731,220
Restricted investments	.....	1,274,494	1,274,494	4,817,982
Advances to other entities	915,020	.....	915,020	.....
Loans and notes receivable, net	3,109,091	1,812,613	4,921,704	3,013,349
Other assets	11,135	45,402	56,537	1,091,191
Capital assets, net	66,378,376	8,787,590	75,165,966	22,529,549
Total assets	90,463,992	38,127,945	128,591,937	61,184,033
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Accum. decrease in fair value -Hedging derivatives	.....	.....	.....	53,164
Total deferred outflows of resources	.....	.....	.....	53,164
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	1,831,181	780,173	2,611,354	3,077,919
Due to other governments	.....	11,320	11,320	.....
Due to component units/primary	10,819	10	10,829	113,341
Deferred revenue	.....	47,200	47,200	490,556
Obligations under security lending agreements	1,441,314	1,793,219	3,234,533	.....
Long-term liabilities				
Due within one year	4,243,722	1,541,564	5,785,286	3,365,336
Due in more than one year	25,588,924	16,525,483	42,114,407	14,720,454
Total liabilities	33,115,960	20,698,969	53,814,929	21,767,606
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	.....	140,259	140,259	2,404
Total deferred inflows of resources	.....	140,259	140,259	2,404
<b>NET POSITION</b>				
Net investments in capital assets	59,994,370	5,841,079	65,835,449	18,617,890
Restricted for				
Environment, Recreation and Conservation	2,533,998	.....	2,533,998	.....
Public Education	390,829	.....	390,829	.....
Health and Family Services	1,562,739	.....	1,562,739	.....
Transportation	1,665,701	168,934	1,834,635	.....
Nonmajor governmental funds	1,137,373	.....	1,137,373	.....
Debt service	280,048	.....	280,048	84,095
Lottery	.....	102,088	102,088	.....
Prepaid College Program	.....	829,845	829,845	.....
Hurricane Catastrophe Fund	.....	8,295,259	8,295,259	.....
Reemployment Assistance	.....	1,158,339	1,158,339	.....
Other	557,025	4,165	561,190	5,827,799
Funds held for permanent endowment				
Expendable	.....	.....	.....	640,854
Nonexpendable	.....	.....	.....	3,309,079
Unrestricted	(10,774,051)	889,008	(9,885,043)	10,987,470
Total net position	\$ 57,348,032	\$ 17,288,717	\$ 74,636,749	\$ 39,467,187

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
General government	\$ 6,430,345	\$ 5,153,314	\$ 1,115,849	\$ 71	\$ (161,111)
Education	17,807,322	243,580	2,521,486	29	(15,042,227)
Human services	30,770,664	1,363,570	20,807,051	1,442	(8,598,601)
Criminal justice and corrections	4,186,869	762,411	104,362	96	(3,320,000)
Natural resources and environment	2,374,092	336,560	1,253,723	16,172	(767,637)
Transportation	3,543,133	485,131	48,362	2,004,619	(1,005,021)
State courts	455,878	105,006	1,669	.....	(349,203)
Indirect interest on long-term debt	5,904	.....	.....	.....	(5,904)
Total governmental activities	65,574,207	8,449,572	25,852,502	2,022,429	(29,249,704)
Business-type activities:					
Transportation	426,056	851,997	.....	189	426,130
Lottery	3,619,597	5,012,842	.....	.....	1,393,245
Hurricane Catastrophe Fund	(95,313)	1,295,500	.....	.....	1,390,813
Prepaid College Program	(149,009)	115,727	.....	.....	264,736
Reemployment Assistance	2,389,913	2,235,316	1,420,101	.....	1,265,504
Nonmajor enterprise funds	287,278	380,370	22,763	6,225	122,080
Total business-type activities	6,478,522	9,891,752	1,442,864	6,414	4,862,508
Total primary government	\$ 72,052,729	\$ 18,341,324	\$ 27,295,366	\$ 2,028,843	\$ (24,387,196)
<b>Component units</b>					
Florida Housing Finance Corporation	\$ 188,544	\$ 216,633	\$ .....	\$ .....	\$ 28,089
University of Florida	4,322,636	2,864,447	788,569	21,070	(648,550)
Citizens Property Insurance Corporation	1,859,118	2,296,975	.....	.....	437,857
Nonmajor component units	10,949,743	3,156,462	3,740,408	465,805	(3,587,068)
Total component units	\$ 17,320,041	\$ 8,534,517	\$ 4,528,977	\$ 486,875	\$ (3,769,672)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net (expense) revenue	\$ (29,249,704)	\$ 4,862,508	\$ (24,387,196)	\$ (3,769,672)
General revenues:				
Taxes				
Sales and use tax	19,914,591	.....	19,914,591	.....
Fuel taxes	2,580,843	.....	2,580,843	.....
Corporate income tax	2,055,440	.....	2,055,440	.....
Documentary stamp tax	1,662,044	.....	1,662,044	.....
Intangible personal property tax	279,047	.....	279,047	.....
Communications service tax	1,422,775	.....	1,422,775	.....
Beverage and tobacco taxes	1,700,095	.....	1,700,095	.....
Insurance premium tax	907,004	.....	907,004	.....
Gross receipts utilities tax	588,765	.....	588,765	.....
Property taxes	.....	.....	.....	479,888
Other taxes	1,142,373	.....	1,142,373	.....
Investment earning (loss)	104,112	496	104,608	877,166
Gain (loss) on sale of capital assets	(62,746)	(4,679)	(67,425)	(22,059)
Payments from the State of Florida	.....	.....	.....	2,920,151
Emergency assessments	.....	490,011	490,011	.....
Miscellaneous	.....	740	740	566,338
Transfers	1,534,368	(1,534,368)	.....	.....
Contributions to permanent funds	.....	.....	.....	81,189
Total general revenues, transfers and contributions	33,828,711	(1,047,800)	32,780,911	4,902,673
Changes in net position	4,579,007	3,814,708	8,393,715	1,133,001
Net position - beginning, as restated (Note 1)	52,693,471	13,474,009	66,167,480	38,380,130
Adjustments to increase (decrease) beginning net position	75,554	.....	75,554	(45,944)
Net position - ending	\$ 57,348,032	\$ 17,288,717	\$ 74,636,749	\$ 39,467,187

The notes to the financial statements are an integral part of this statement.

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

## Major Funds

### GENERAL FUND

This fund is the State's primary operating fund. It accounts for the financial resources and transactions not accounted for in other funds.

### ENVIRONMENT, RECREATION AND CONSERVATION

This fund accounts for operations of various programs, such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation.

### PUBLIC EDUCATION

This fund includes internal reporting funds administered by the Department of Education to operate education-related programs.

### HEALTH AND FAMILY SERVICES

This fund includes internal reporting funds used to operate various health and family service-related programs, such as health care, elder affairs, and public assistance.

### TRANSPORTATION

This fund includes the internal reporting special revenue funds used to account for the administration of the maintenance and development of the State highway system and other transportation-related projects.

## Nonmajor Funds

Nonmajor governmental funds are presented, by fund type, beginning on page 163.

2013 STATE OF FLORIDA CAFR

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013  
(in thousands)**

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services
<b>ASSETS</b>				
<u>Current assets</u>				
Cash and cash equivalents	\$ 18,090	\$ 1,723	\$ .....	\$ 57,599
Pooled investments with State Treasury	6,016,047	1,389,669	691,546	1,325,529
Other investments	719,583	74	.....	.....
Receivables, net	1,572,631	156,330	64,063	1,998,730
Due from other funds	194,841	8,666	92,343	111,504
Due from component units/primary	566	234	.....	40
Inventories	9,576	563	26	34,748
Other	533	.....	10	.....
Total current assets	8,531,867	1,557,259	847,988	3,528,150
<u>Noncurrent assets</u>				
Long-term investments	1,521	.....	.....	.....
Advances to other funds	2,603	.....	.....	.....
Advances to other entities	14,108	41,826	857,192	.....
Other loans and notes receivable, net	81,240	1,121,121	.....	41,056
Other	.....	.....	.....	.....
Total noncurrent assets	99,472	1,162,947	857,192	41,056
Total assets	\$ 8,631,339	\$ 2,720,206	\$ 1,705,180	\$ 3,569,206
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	\$ 414,534	\$ 35,376	\$ 21,271	\$ 239,698
Due to other funds	197,599	24,917	2,432	43,020
Due to component units/primary	1,735	1,126	1	3,561
Compensated absences	17,922	584	.....	3,410
Claims payable	460,535	.....	.....	1,194,357
Deposits	8,291	9,276	50	9,788
Installment purchases/capital leases	.....	.....	.....	51
Deferred revenues	288,827	689	15,796	358,874
Obligations under security lending agreements	1,062,003	104,470	53,645	10,716
Total current liabilities	2,451,446	176,438	93,195	1,863,475
<u>Noncurrent liabilities</u>				
Advances from other funds	100	.....	811,623	.....
Deposits	.....	.....	.....	27,292
Deferred revenues	22,946	512	.....	41,056
Other	.....	.....	.....	.....
Total noncurrent liabilities	23,046	512	811,623	68,348
Total liabilities	2,474,492	176,950	904,818	1,931,823
<u>Fund balances</u>				
Nonspendable	27,518	42,389	36	34,748
Restricted	60,359	1,945,533	1,153,365	129,270
Committed	746,914	555,334	390,738	1,473,365
Unassigned	5,322,056	.....	(743,777)	.....
Total fund balances	6,156,847	2,543,256	800,362	1,637,383
Total liabilities and fund balances	\$ 8,631,339	\$ 2,720,206	\$ 1,705,180	\$ 3,569,206

The notes to the financial statements are an integral part of this statement

Transportation	Nonmajor Governmental Funds	Totals 6/30/13
\$ 1,063	\$ 31,871	\$ 110,346
1,824,837	1,419,351	12,666,979
2	351,130	1,070,789
335,720	408,958	4,536,432
168,249	52,614	628,217
.....	.....	840
11,026	1,847	57,786
.....	162	705
2,340,897	2,265,933	19,072,094
.....	233,777	235,298
207,320	.....	209,923
.....	1,894	915,020
859,122	1,006,552	3,109,091
10,430	.....	10,430
1,076,872	1,242,223	4,479,762
\$ 3,417,769	\$ 3,508,156	\$ 23,551,856
\$ 594,401	\$ 216,348	\$ 1,521,628
48,802	111,681	428,451
.....	4,385	10,808
5,933	1,785	29,634
.....	5,262	1,660,154
251,392	84,185	362,982
.....	.....	51
32,642	90,790	787,618
113,729	66,191	1,410,754
1,046,899	580,627	6,212,080
.....	625	812,348
134,827	1,894	164,013
570,341	12,991	647,846
.....	3,046	3,046
705,168	18,556	1,627,253
1,752,067	599,183	7,839,333
11,026	28,934	144,651
57,366	2,016,327	5,362,220
1,597,310	863,712	5,627,373
.....	.....	4,578,279
1,665,702	2,908,973	15,712,523
\$ 3,417,769	\$ 3,508,156	\$ 23,551,856

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2013 STATE OF FLORIDA CAFR

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**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF NET POSITION  
JUNE 30, 2013  
(in thousands)**

Total fund balances for governmental funds	\$ 15,712,523
--	---------------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities reported in governmental funds are not financial resources and therefore are not reported in the funds.

Land and other nondepreciable assets	17,474,517	
Nondepreciable infrastructure	37,662,552	
Buildings, equipment and other depreciable assets	6,263,361	
Accumulated depreciation	(3,761,256)	
Construction work in progress	<u>7,579,776</u>	
		65,218,950

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences	(717,120)	
Installment purchases/capital leases/public-private partnership agreements	(2,330,282)	
Claims payable	(2,509,539)	
Bonds payable	(19,076,447)	
Certificates of participation payable	(109,340)	
Net other post employment benefits	(878,322)	
Other	<u>(34,678)</u>	
		(25,655,728)

Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Position.	(55,171)
---	----------

Assets (receivables) not available to provide current resources are offset with deferred revenues (liability) in the fund statements. The reduction of the liability and recognition of revenue increases net position in the Statement of Net Position.	1,690,693
--	-----------

Internal service funds are used to report activities that provide goods and services to other funds or agencies within the state. Therefore, the excess of assets over liabilities of the internal service funds are included as governmental activities on the Statement of Net Position.	<u>436,765</u>
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Net position of governmental activities	<u><u>\$ 57,348,032</u></u>
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**2013 STATE OF FLORIDA CAFR**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**(in thousands)**

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services
<b>REVENUES</b>				
Taxes	\$ 27,442,050	\$ 273,991	\$ 1,002,228	\$ 928,214
Licenses and permits	503,175	46,304	674	35,829
Fees and charges	1,903,996	155,971	56,317	1,556,080
Grants and donations	20,344	170,297	2,335,030	20,673,084
Investment earnings (losses)	58,668	21,675	46,759	4,426
Fines, forfeits, settlements and judgments	374,141	3,272	152,376	42,961
Other	1,914	21,689	2,092	9,555
Total revenues	30,304,288	693,199	3,595,476	23,250,149
<b>EXPENDITURES</b>				
Current:				
General government	4,097,646	29,095	.....	144,768
Education	12,666,280	.....	4,295,632	.....
Human services	6,222,578	.....	.....	23,947,532
Criminal justice and corrections	3,067,845	.....	.....	.....
Natural resources and environment	281,274	711,307	.....	.....
Transportation	1,383	.....	.....	.....
State courts	339,967	.....	.....	.....
Capital outlay	44,109	24,579	2,150	7,635
Debt service:				
Principal retirement	5,819	.....	.....	5,045
Interest and fiscal charges	5,071	.....	.....	819
Total expenditures	26,731,972	764,981	4,297,782	24,105,799
Excess (deficiency) of revenues over expenditures	3,572,316	(71,782)	(702,306)	(855,650)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of bond issues	2,977	49,899	165,124	.....
Proceeds of refunding bonds	.....	.....	.....	.....
Proceeds of financing agreements	.....	.....	.....	.....
Operating transfers in	729,369	756,184	1,920,028	1,791,283
Operating transfers out	(2,948,424)	(604,364)	(1,484,121)	(454,319)
Payments to refunded bond agent	.....	.....	.....	.....
Total other financing sources (uses)	(2,216,078)	201,719	601,031	1,336,964
Net change in fund balances	1,356,238	129,937	(101,275)	481,314
Fund balances - beginning, as restated (Note 1)	4,800,609	2,413,319	901,637	1,156,069
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	.....
Fund balances - beginning, as restated	4,800,609	2,413,319	901,637	1,156,069
Fund balances - ending	\$ 6,156,847	\$ 2,543,256	\$ 800,362	\$ 1,637,383

The notes to the financial statements are an integral part of this statement.

Transportation	Nonmajor Governmental Funds	Totals 6/30/13
\$ 2,302,127	\$ 224,623	\$ 32,173,233
9,724	1,255,656	1,851,362
472,830	785,138	4,930,332
2,045,634	2,352,088	27,596,477
11,875	48,489	191,892
4,681	960,504	1,537,935
4,554	108,638	148,442
4,851,425	5,735,136	68,429,673
175,727	1,968,975	6,416,211
.....	188,023	17,149,935
.....	424,831	30,594,941
.....	957,207	4,025,052
.....	1,213,542	2,206,123
3,729,036	.....	3,730,419
.....	105,719	445,686
2,306,799	39,376	2,424,648
242	1,259,561	1,270,667
5	955,079	960,974
6,211,809	7,112,313	69,224,656
(1,360,384)	(1,377,177)	(794,983)
.....	11,511	229,511
.....	1,759,221	1,759,221
630,637	866	631,503
1,281,052	3,170,994	9,648,910
(787,846)	(1,818,176)	(8,097,250)
.....	(1,759,221)	(1,759,221)
1,123,843	1,365,195	2,412,674
(236,541)	(11,982)	1,617,691
1,706,084	2,920,955	13,898,673
196,159	.....	196,159
1,902,243	2,920,955	14,094,832
\$ 1,665,702	\$ 2,908,973	\$ 15,712,523

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2013 STATE OF FLORIDA CAFR

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

Net change in fund balance - total governmental funds		\$ 1,617,691
Internal service funds are used by management to charge the costs of goods or services to other funds and agencies within the state. Therefore, the net revenue (expense) of the internal service funds is reported with governmental activities.		(7,015)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful lives of the assets and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation in the current period.		
Capital outlay expenditures	2,396,583	
Depreciation expense	<u>(277,508)</u>	2,119,075
In the Statement of Activities, the gain or (loss) on the sale of assets is reported whereas in the governmental funds only the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the assets sold.		(60,649)
In the Statement of Activities, some revenues are recognized that do not provide current financial resources and are not recognized as revenues in the governmental funds until available, i.e., deferred revenues.		270,901
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in compensated absences	35,163	
Decrease in accrued interest	2,700	
Increase in claims payable	(72,925)	
Decrease in arbitrage liability	.....	
Increase in net other post employment benefits	(214,485)	
Decrease in other liabilities	<u>423,953</u>	174,406
The incurrence of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Bond proceeds	(229,511)	
Refunding bond proceeds	(1,759,221)	
Financing agreement proceeds	(631,503)	
Repayment of bonds	1,255,727	
Repayment of capital leases/installment purchase contracts	14,941	
Payment to refunded bond escrow agent	1,759,221	
Amortization of bond premium	177,816	
Amortization of deferred amount on refunding	(14,823)	
Accrued interest payable at refunding	<u>(108,049)</u>	464,598
Change in net position of governmental activities		<u><u>\$ 4,579,007</u></u>

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## **PROPRIETARY FUND FINANCIAL STATEMENTS**

### **Major Funds**

#### **TRANSPORTATION**

This fund accounts for operations of the Florida Turnpike Enterprise which includes the Florida Turnpike System.

#### **LOTTERY**

This fund accounts for state lottery operations, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Education Enhancement Trust Fund.

#### **HURRICANE CATASTROPHE FUND**

This fund, administered by the State Board of Administration, is a blended component unit and was created to help cover insurers' losses in the event of a hurricane disaster.

#### **PREPAID COLLEGE PROGRAM**

This fund, administered by the State Board of Administration, is used to account for payments from purchasers of Florida Prepaid College Program contracts, a blended component unit. This program was created to provide a medium through which the cost of state post-secondary education may be paid in advance of enrollment at a rate lower than the projected corresponding costs at the time of enrollment.

#### **REEMPLOYMENT ASSISTANCE**

This fund accounts for the receipt of monies for and payment of reemployment assistance benefits.

### **Nonmajor Funds**

Nonmajor enterprise funds are presented on page 199.

### **Internal Service Funds**

Internal service funds are presented on page 205.

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2013**  
**(in thousands)**

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
<b>ASSETS</b>					
<u>Current assets</u>					
Cash and cash equivalents	\$ 25,236	\$ 61,569	\$ 138	\$ 23,847	\$ 1,040
Pooled investments with State Treasury	751,540	159,594	.....	.....	661,344
Other investments	.....	.....	10,080,297	1,874,631	.....
Receivables, net	16,540	47,100	137,796	376,849	611,338
Due from other funds	821	1	.....	7,834	2,636
Due from component units/primary	.....	.....	.....	.....	1,048
Inventories	3,590	863	.....	.....	.....
Other	.....	2,146	.....	.....	.....
Total current assets	797,727	271,273	10,218,231	2,283,161	1,277,406
<u>Noncurrent assets</u>					
Restricted cash and cash equivalents	23	.....	.....	.....	.....
Restricted pooled investments with State Treasury	51,366	15,854	.....	.....	.....
Restricted investments	317,391	957,103	.....	.....	.....
Long-term investments	.....	.....	1,834,022	9,447,391	.....
Other loans and notes receivable, net	82,308	.....	.....	1,727,001	.....
<u>Capital assets</u>					
Land and other nondepreciable assets	884,300	1,390	.....	.....	.....
Nondepreciable infrastructure	6,903,264	.....	.....	.....	.....
Buildings, equipment, and other depreciable assets	517,718	13,521	66	41	.....
Accumulated depreciation	(234,126)	(11,696)	(61)	(39)	.....
Construction work in progress	631,945	.....	.....	.....	.....
Other	12,980	19,037	10,299	.....	.....
Total noncurrent assets	9,167,169	995,209	1,844,326	11,174,394	.....
Total assets	9,964,896	1,266,482	12,062,557	13,457,555	1,277,406
<b>LIABILITIES</b>					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	36,399	9,287	241,198	404,187	73,600
Accrued prize liability	.....	217,030	.....	.....	.....
Due to other governments	.....	.....	.....	.....	11,320
Due to other funds	112,575	76,209	198	3	2,465
Due to component units/primary	.....	.....	.....	.....	.....
Compensated absences	.....	768	46	47	.....
Installment purchases/capital leases	.....	.....	.....	.....	.....
Bonds payable	.....	.....	300,000	.....	.....
Bonds payable from restricted assets	118,960	.....	.....	.....	.....
Deposits	249	.....	.....	.....	8,538
Claims payable	.....	.....	206,945	.....	.....
Deferred revenues	.....	.....	.....	.....	.....
Obligations under security lending agreements	63,061	508,573	.....	1,201,294	.....
Certificates of participation payable	.....	.....	.....	.....	.....
Tuition and housing benefits payable	.....	.....	.....	677,233	.....
Total current liabilities	331,244	811,867	748,387	2,282,764	95,923
<u>Noncurrent liabilities</u>					
Advances from other funds	206,420	.....	.....	.....	.....
Accrued prize liability	.....	343,442	.....	.....	.....
Bonds payable	2,754,738	.....	3,018,786	.....	.....
Certificates of participation payable	.....	.....	.....	.....	.....
Installment purchases/capital leases	.....	.....	.....	.....	.....
Deposits	600	.....	.....	.....	23,144
Compensated absences	.....	2,908	120	128	.....
Tuition and housing benefits payable	.....	.....	.....	10,344,816	.....
Other	.....	2,962	.....	.....	.....
Total noncurrent liabilities	2,961,758	349,312	3,018,906	10,344,944	23,144
Total liabilities	3,293,002	1,161,179	3,767,293	12,627,708	119,067
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred service concession arrangement receipts	140,259	.....	.....	.....	.....
Total deferred inflows of resources	140,259	.....	.....	.....	.....
<b>NET POSITION</b>					
Net investment in capital assets	5,756,589	3,215	5	2	.....
Restricted for Reemployment Assistance	.....	.....	.....	.....	1,158,339
Restricted for Lottery	.....	102,088	.....	.....	.....
Restricted for Hurricane Catastrophe Fund	.....	.....	8,295,259	.....	.....
Restricted for Prepaid College Program	.....	.....	.....	829,845	.....
Restricted for Transportation	168,934	.....	.....	.....	.....
Restricted - other	.....	.....	.....	.....	.....
Unrestricted	606,112	.....	.....	.....	.....
Total net position	\$ 6,531,635	\$ 105,303	\$ 8,295,264	\$ 829,847	\$ 1,158,339

The notes to the financial statements are an integral part of this statement.

Nonmajor Enterprise Funds	Totals 6/30/13	Internal Service Funds
\$ 9,607	\$ 121,437	\$ 54,118
304,752	1,877,230	453,160
17,528	11,972,456	76,667
21,100	1,210,723	24,144
6,920	18,212	34,646
2	1,050	1,179
.....	4,453	.....
939	3,085	.....
360,848	15,208,646	643,914
.....	23	.....
.....	67,220	.....
.....	1,274,494	.....
59,077	11,340,490	.....
3,304	1,812,613	.....
.....	885,690	322
.....	6,903,264	.....
106,708	638,054	1,397,330
(41,027)	(286,949)	(417,887)
15,586	647,531	179,661
.....	42,316	.....
143,648	23,324,746	1,159,426
504,496	38,533,392	1,803,340
14,805	779,476	151,339
.....	217,030	.....
.....	11,320	.....
8,274	199,724	33,822
10	10	11
4,229	5,090	3,652
977	977	2,418
.....	300,000	22,480
.....	118,960	.....
6,542	15,329	132,732
.....	206,945	.....
47,200	47,200	.....
20,291	1,793,219	30,560
.....	.....	37,105
.....	677,233	.....
102,328	4,372,513	414,119
.....	206,420	2,778
.....	343,442	.....
.....	5,773,524	313,678
.....	.....	576,394
3,121	3,121	15,605
.....	23,744	.....
13,124	16,280	13,320
.....	10,344,816	.....
17,594	20,556	30,681
33,839	16,731,903	952,456
136,167	21,104,416	1,366,575
.....	140,259	.....
.....	140,259	.....
81,268	5,841,079	193,554
.....	1,158,339	.....
.....	102,088	.....
.....	8,295,259	.....
.....	829,845	.....
.....	168,934	.....
4,165	4,165	114,268
282,896	889,008	128,943
\$ 368,329	\$ 17,288,717	\$ 436,765

**2013 STATE OF FLORIDA CAFR**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program
<b>OPERATING REVENUES</b>				
Sales - nonstate	\$ 5,236	\$ 5,019,379	\$ 1,254,213	\$ 384,181
Change in actuarial value of contract premiums	.....	.....	.....	(84,590)
Fees	822,490	.....	.....	2,313
Sales - state	.....	.....	41	.....
Rents and royalties - nonstate	7,694	507	.....	.....
Rents - state	.....	.....	.....	.....
Fines, forfeits, settlements and judgments	7,966	178	1,626	.....
Other	.....	.....	.....	.....
Total operating revenues	843,386	5,020,064	1,255,880	301,904
<b>OPERATING EXPENSES</b>				
Benefit payments	.....	.....	.....	.....
Payment of lottery winnings	.....	3,162,889	.....	.....
Commissions on lottery sales	.....	278,493	.....	.....
Contractual services	255,767	114,014	3,489	375,284
Change in actuarial value of contract benefit payments	.....	.....	(178,500)	(532,917)
Insurance claims expense	.....	.....	.....	.....
Personal services	15,613	25,560	1,217	938
Depreciation	36,181	270	3	1
Materials and supplies	4,699	1,344	15	45
Repairs and maintenance	.....	1,112	1	22
Basic services	.....	5,382	211	123
Interest and fiscal charges	.....	.....	28	28
Total operating expenses	312,260	3,589,064	(173,536)	(156,476)
Operating income (loss)	531,126	1,431,000	1,429,416	458,380
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Grants and donations	189	.....	.....	.....
Investment earnings (losses)	2,926	(7,222)	39,620	(186,186)
Interest and fiscal charges	(113,797)	(30,533)	(78,223)	(6,529)
Fines, forfeits, judgments and settlements	665	.....	.....	75
Property disposition gain (loss)	(4,463)	(61)	.....	.....
Grant expense and client benefits	.....	.....	.....	.....
Emergency assessment funds received	.....	.....	490,011	.....
Other	5,684	.....	.....	8
Total nonoperating revenues (expenses)	(108,796)	(37,816)	451,408	(192,632)
Income (loss) before transfers and contributions	422,330	1,393,184	1,880,824	265,748
Operating transfers in	16,557	.....	.....	.....
Operating transfers out	(22,103)	(1,424,482)	(10,000)	(938)
Capital contributions	.....	.....	.....	.....
Change in net position	416,784	(31,298)	1,870,824	264,810
Total net position - beginning, as restated (Note 1)	6,114,851	136,601	6,424,440	565,037
Total net position - ending	\$ 6,531,635	\$ 105,303	\$ 8,295,264	\$ 829,847

The notes to the financial statements are an integral part of this statement.

2013 STATE OF FLORIDA CAFR

Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/13	Internal Service Funds
\$ .....	\$ 93,415	\$ 6,756,424	\$ 46,741
.....	.....	(84,590)	.....
2,213,105	228,338	3,266,246	.....
.....	34,770	34,811	1,990,803
.....	7	8,208	279
.....	97	97	161,901
.....	15,280	25,050	25
.....	2	2	15,878
2,213,105	371,909	10,006,248	2,215,627
2,389,913	.....	2,389,913	.....
.....	.....	3,162,889	.....
.....	.....	278,493	.....
.....	78,990	827,544	493,235
.....	.....	(711,417)	.....
.....	.....	.....	1,483,294
.....	160,290	203,618	112,877
.....	5,800	42,255	25,660
.....	6,553	12,656	17,415
.....	1,386	2,521	9,433
.....	29,497	35,213	14,612
.....	3,023	3,079	.....
2,389,913	285,539	6,246,764	2,156,526
(176,808)	86,370	3,759,484	59,101
1,420,101	28,988	1,449,278	.....
21,880	998	(127,984)	(1,035)
.....	(507)	(229,589)	(77,160)
.....	.....	740	.....
.....	(155)	(4,679)	(1,600)
.....	(1,100)	(1,100)	.....
.....	.....	490,011	.....
333	(100)	5,925	.....
1,442,314	28,124	1,582,602	(79,795)
1,265,506	114,494	5,342,086	(20,694)
10,503	17,793	44,853	25,376
(17,203)	(97,506)	(1,572,232)	(14,565)
.....	1	1	2,868
1,258,806	34,782	3,814,708	(7,015)
(100,467)	333,547	13,474,009	443,780
\$ 1,158,339	\$ 368,329	\$ 17,288,717	\$ 436,765

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
**(in thousands)**

	Transportation	Lottery	Hurricane Catastrophe Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 831,975	\$ 5,010,796	\$ 1,258,454
Cash paid to vendors	(361,285)	(401,133)	(3,612)
Cash paid to employees	(15,615)	(24,701)	(1,220)
Cash paid for grants made	.....	.....	.....
Loans collected/(issued)	.....	.....	.....
Lottery prizes	.....	(3,154,135)	.....
Cash paid for insurance claims	.....	.....	(21,799)
Reemployment assistance	.....	.....	.....
Net cash provided (used) by operating activities	455,075	1,430,827	1,231,823
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in (out)	(54,757)	(1,399,584)	(10,000)
Advances from or repayment from other funds	(5,930)	.....	.....
Advances, grants or loans (to) from or repayment from others	(1,796)	.....	.....
Cash received from sale of bonds	113,579	.....	1,991,694
Payment of bonds or loans (principal and interest)	.....	.....	(3,879,627)
Cash received from noncapital grants or donations	.....	.....	.....
Emergency assessment funds received	.....	.....	475,498
Net cash provided (used) by noncapital financing activities	51,096	(1,399,584)	(1,422,435)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash received from sale of capital assets	.....	.....	.....
Cash received from the sale of bonds	113,579	.....	.....
Cash received from capital grants and donations	189	.....	.....
Payment of bond principal	(160,920)	.....	.....
Payment of principal on installment purchase/capital lease	.....	.....	.....
Payment of interest on bonds/installment purchase/capital lease	(139,020)	.....	.....
Purchase or construction of capital assets	(351,358)	(2,190)	(5)
Line of credit draws/(payments)	.....	.....	.....
Net cash provided (used) by capital and related financing activities	(537,530)	(2,190)	(5)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Security lending	(21,277)	61,209	.....
Proceeds from the sale or maturity of investments	1,534,434	130,728	334,908,246
Cash paid to grand prize winners upon maturity of grand prize investments	.....	(130,728)	.....
Investment earnings	7,110	2,825	22,307
Purchase of investments	(1,648,064)	.....	(334,739,965)
Net cash provided (used) by investing activities	(127,797)	64,034	190,588
Net increase (decrease) in cash and cash equivalents	(159,156)	93,087	(29)
Cash and cash equivalents - beginning, as restated	987,321	143,930	167
Cash and cash equivalents - ending	\$ 828,165	\$ 237,017	\$ 138

The notes to the financial statements are an integral part of this statement.

2013 STATE OF FLORIDA CAFR

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/13	Internal Service Funds
\$ 480,586	\$ 2,213,427	\$ 377,482	10,172,720	\$ 2,250,907
(466,650)	.....	(119,132)	(1,351,812)	(526,506)
(889)	.....	(155,942)	(198,367)	(103,138)
.....	.....	.....	.....	.....
.....	.....	(1,605)	(1,605)	.....
.....	.....	.....	(3,154,135)	.....
.....	.....	(60)	(21,859)	(1,498,144)
.....	(2,371,043)	(496)	(2,371,539)	.....
13,047	(157,616)	100,247	3,073,403	123,119
(938)	(5,767)	(78,167)	(1,549,213)	7,949
.....	.....	.....	(5,930)	.....
8	(673,665)	(1,088)	(676,541)	.....
.....	.....	.....	2,105,273	.....
.....	.....	.....	(3,879,627)	.....
.....	1,455,015	24,288	1,479,303	.....
.....	.....	.....	475,498	.....
(930)	775,583	(54,967)	(2,051,237)	7,949
.....	.....	29	29	.....
.....	.....	.....	113,579	.....
.....	.....	3,007	3,196	.....
.....	.....	.....	(160,920)	(35,355)
.....	.....	.....	.....	(23,041)
.....	.....	.....	(139,020)	(46,683)
(2)	.....	(9,204)	(362,759)	(35,299)
.....	.....	655	655	.....
(2)	.....	(5,513)	(545,240)	(140,378)
1,147	.....	(770)	40,309	(16,176)
13,009,009	.....	87,578	349,669,995	.....
.....	.....	.....	(130,728)	.....
106,205	19,846	414	158,707	(16,249)
(13,118,685)	.....	(90,073)	(349,596,787)	(15)
(2,324)	19,846	(2,851)	141,496	(32,440)
9,791	637,813	36,916	618,422	(41,750)
14,056	24,571	277,443	1,447,488	549,028
\$ 23,847	\$ 662,384	\$ 314,359	\$ 2,065,910	\$ 507,278

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

**Reconciliation of operating income (loss) to net cash  
provided (used) by operating activities**

	Transportation	Lottery	Hurricane Catastrophe Fund
Operating income (loss)	\$ 531,126	\$ 1,431,000	\$ 1,429,416
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	36,181	270	3
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(7,320)	(9,570)	3,765
(Increase) decrease in due from other funds	(15,266)	.....	.....
Increase (decrease) in allowance for uncollectibles	.....	301	.....
(Increase) decrease in inventories	487	280	.....
(Increase) decrease in other non-current assets	.....	958	.....
Increase (decrease) in accounts payable	(84,096)	(1,067)	(201,366)
Increase (decrease) in compensated absences	.....	93	1
Increase (decrease) in due to other funds	(4,126)	.....	4
Increase (decrease) in other non-current liability	(1,566)	767	.....
(Increase) decrease in deposits	61	.....	.....
Increase (decrease) in deferred revenue	(406)	.....	.....
Increase (decrease) in prize liability	.....	7,795	.....
Net cash provided (used) by operating activities	\$ 455,075	\$ 1,430,827	\$ 1,231,823

**Noncash investing, capital, and financing activities**

Change in fair value of investments	\$ .....	\$ .....	\$ .....
Contribution of capital assets	.....	.....	.....

The notes to the financial statements are an integral part of this statement.

2013 STATE OF FLORIDA CAFR

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/13	Internal Service Funds
\$ 458,380	\$ (176,808)	\$ 86,370	\$ 3,759,484	\$ 59,101
1	.....	5,800	42,255	25,660
92,922	33,612	(3,768)	109,641	3,971
(7,808)	.....	(3,606)	(26,680)	(8,901)
.....	16,232	2,028	18,561	.....
.....	.....	.....	767	.....
.....	.....	24	982	.....
(530,505)	(30,590)	(1,275)	(848,899)	(13,326)
55	.....	667	816	2,176
2	(62)	172	(4,010)	7,531
.....	.....	4,260	3,461	6,697
.....	.....	7	68	.....
.....	.....	9,568	9,162	40,210
.....	.....	.....	7,795	.....
\$ 13,047	\$ (157,616)	\$ 100,247	\$ 3,073,403	\$ 123,119

\$	.....	\$	.....	\$	316	\$	316	\$	.....
	.....		.....		82		82		2,834

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## **FIDUCIARY FUND FINANCIAL STATEMENTS**

### **PRIVATE-PURPOSE TRUST FUNDS**

Individual fund descriptions and financial statements begin on page 213.

### **PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**

Individual fund descriptions and financial statements begin on page 219.

### **INVESTMENT TRUST FUNDS**

Individual fund descriptions and financial statements begin on page 225.

### **AGENCY FUNDS**

Individual fund descriptions and financial statements begin on page 229.

**2013 STATE OF FLORIDA CAFR**

**STATEMENT OF FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**JUNE 30, 2013**

**(in thousands)**

	Private- purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Agency Funds	Totals 6/30/13
<b>ASSETS</b>					
Cash and cash equivalents	\$ 12,101	\$ 278,439	\$ .....	\$ 16,368	\$ 306,908
Pooled investments with State Treasury	564,212	77,405	1,531,754	1,043,444	3,216,815
Total cash and cash equivalents	576,313	355,844	1,531,754	1,059,812	3,523,723
<u>Investments</u>					
Certificates of deposit	.....	2,051,388	2,462,184	.....	4,513,572
U.S. government & federally guaranteed obligations	28,738	9,937,361	.....	347,719	10,313,818
Federal agencies	37,527	7,792,894	.....	5,599	7,836,020
Commercial paper	.....	4,755,488	1,252,661	.....	6,008,149
Repurchase agreements	.....	750,000	639,694	.....	1,389,694
Bonds and notes	49,589	9,053,786	725,959	.....	9,829,334
International bonds and notes	6,175	2,451,499	.....	.....	2,457,674
Real estate contracts	.....	9,040,776	.....	.....	9,040,776
Mutual fund investments	3,079	14,550,716	.....	.....	14,553,795
Money market and short-term investments	50,972	1,595,363	850,593	.....	2,496,928
Domestic equity	133,958	38,450,982	.....	.....	38,584,940
Alternative Investments	.....	13,555,756	.....	.....	13,555,756
International equity	34,113	33,948,813	.....	.....	33,982,926
Deferred compensation annuities	.....	33,001	.....	.....	33,001
Other investments	.....	1,034	.....	100	1,134
Total investments	344,151	147,968,857	5,931,091	353,418	154,597,517
<u>Receivables</u>					
Accounts receivable	22,253	8,952	.....	525,075	556,280
State contributions receivable	.....	40,027	.....	.....	40,027
Nonstate contributions receivable	1	211,707	.....	.....	211,708
Interest receivable	1,041	190,658	2,551	1,873	196,123
Dividends receivable	217	172,599	.....	.....	172,816
Pending investment sales	2,470	2,407,948	.....	.....	2,410,418
Foreign currency contracts receivable	18	532,042	.....	.....	532,060
Due from state funds	1	18,645	.....	100,227	118,873
Due from other governments	12,378	.....	.....	4,565	16,943
Total receivables	38,379	3,582,578	2,551	631,740	4,255,248
Security lending collateral	.....	3,245,417	.....	.....	3,245,417
Advances to other funds	811,623	.....	.....	.....	811,623
Advances to other entities	1,114,288	.....	.....	.....	1,114,288
Capital assets	15,000	854	.....	.....	15,854
Accumulated depreciation	(1,021)	(430)	.....	.....	(1,451)
Other assets	6,663	6,135	18	.....	12,816
Total assets	2,905,396	155,159,255	7,465,414	2,044,970	167,575,035
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	8,613	70,017	612	588,886	668,128
Due to other funds	9,675	23,634	51	104,591	137,951
DROP	.....	3,209,149	.....	.....	3,209,149
Pending investment purchases	18,814	6,679,056	.....	.....	6,697,870
Short sell obligations	.....	367,076	.....	.....	367,076
Foreign currency contracts payable	18	526,766	.....	.....	526,784
Broker rebate fees	.....	47	.....	.....	47
Due to other governments	3,798	.....	254	454,254	458,306
Obligations under security lending agreements	43,136	3,322,221	121,254	35,446	3,522,057
Claims payable	2,928	15	.....	21,616	24,559
Deposits payable	8,178	12,208	.....	840,177	860,563
Compensated absences	383	915	.....	.....	1,298
Other liabilities	414	9,855	.....	.....	10,269
Total liabilities	95,957	14,220,959	122,171	2,044,970	16,484,057
<b>NET POSITION</b>					
Held in trust for pension benefits and other purposes	\$ 2,809,439	\$ 140,938,296	\$ 7,343,243	\$ .....	\$ 151,090,978

The notes to the financial statements are an integral part of this statement.

**2013 STATE OF FLORIDA CAFR**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**(in thousands)**

	Private- purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Totals 6/30/13
<b>ADDITIONS</b>				
<u>Contributions and other deposits</u>				
Pension fund employer contributions - state	\$ .....	\$ 474,550	\$ .....	\$ 474,550
Pension fund employer contributions - nonstate	.....	1,543,078	.....	1,543,078
Pension fund employee contributions	.....	890,291	.....	890,291
Other contributions	.....	142,729	.....	142,729
Purchase of time by employees	.....	9,571	.....	9,571
Fees	2,306	1,209	.....	3,515
Grants and contributions	214,546	.....	.....	214,546
Flexible benefits contributions	.....	239,872	.....	239,872
Fines, forfeits, settlements and judgments	863	29,056	.....	29,919
Unclaimed property remittances	470,348	.....	.....	470,348
Receivership assets acquired	104,456	.....	.....	104,456
Transfers in from state funds	938	845,463	110,614	957,015
Total contributions and other deposits	793,457	4,175,819	110,614	5,079,890
<u>Investment income</u>				
Interest income	5,370	1,515,768	21,129	1,542,267
Dividends	3,349	2,053,815	.....	2,057,164
Other investment income	1,492	133,150	.....	134,642
Net increase (decrease) in fair market value	18,096	13,993,726	45,023	14,056,845
Total investment income	28,307	17,696,459	66,152	17,790,918
Investment activity expense	(1,340)	(411,134)	(3,833)	(416,307)
Net income (loss) from investing activity	26,967	17,285,325	62,319	17,374,611
<u>Security lending activity</u>				
Security lending income	35	56,229	.....	56,264
Security lending expense	(5)	(7,791)	.....	(7,796)
Net income from security lending	30	48,438	.....	48,468
Total net investment income	26,997	17,333,763	62,319	17,423,079
Other additions	9,915	1	.....	9,916
Total additions	830,369	21,509,583	172,933	22,512,885
<b>DEDUCTIONS</b>				
Benefit payments	.....	9,509,236	.....	9,509,236
Insurance claims expense	159,535	.....	.....	159,535
Supplemental insurance payments	.....	69,811	.....	69,811
Flexible reimbursement payments	.....	23,039	.....	23,039
Life insurance premium payments	.....	30,644	.....	30,644
Remittances to annuity companies	.....	158,909	.....	158,909
Interest expense	643	2	.....	645
Student loan default payments	188,899	.....	.....	188,899
Payments to unclaimed property claimants	253,129	.....	.....	253,129
Distribution to State School Fund	150,499	.....	.....	150,499
Administrative expense	28,458	59,743	55	88,256
Property disposition gain (loss)	.....	1	.....	1
Transfers out to state funds	3,041	878,452	110,614	992,107
Other deductions	19,399	10,202	.....	29,601
Total deductions	803,603	10,740,039	110,669	11,654,311
<u>Depositor activity</u>				
Deposits	96,103	.....	13,663,972	13,760,075
Withdrawals	(132,254)	.....	(13,685,997)	(13,818,251)
Excess (deficiency) of deposits over withdrawals	(36,151)	.....	(22,025)	(58,176)
Change in net position	(9,385)	10,769,544	40,239	10,800,398
Net position - beginning	2,818,824	130,168,752	7,303,004	140,290,580
Net position - ending	\$ 2,809,439	\$ 140,938,296	\$ 7,343,243	\$ 151,090,978

The notes to the financial statements are an integral part of this statement.

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## **COMPONENT UNIT FINANCIAL STATEMENTS**

### **Major Component Units**

#### **FLORIDA HOUSING FINANCE CORPORATION**

Pursuant to Section 420.504, Florida Statutes, this corporation was created as an entrepreneurial public corporation organized to provide and promote public welfare by administering the governmental function of financing or refinancing housing and related facilities in Florida.

#### **UNIVERSITY OF FLORIDA**

University of Florida is a major, public, comprehensive, land-grant, research university with a main campus location in Gainesville, Florida.

#### **CITIZENS PROPERTY INSURANCE CORPORATION**

Pursuant to Section 627.351(6), Florida Statutes, this corporation was created to provide certain residential property, non-residential property, and casualty insurance coverage to qualified risks in the State of Florida under specified circumstances.

### **Nonmajor Component Units**

Nonmajor component units are presented beginning on page 235.

**STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**JUNE 30, 2013**  
(in thousands)

	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units
<b>ASSETS</b>				
Cash and cash equivalents	\$ 356,396	\$ 173,015	\$ 1,282,987	\$ 819,240
Pooled investments with State Treasury	327,954	867,855	.....	1,423,760
Other investments	2,044,807	615,470	13,764,422	4,394,346
Receivables, net	301,614	502,884	376,310	956,816
Due from component units/primary	.....	19,980	.....	298,345
Inventories	.....	27,602	.....	40,281
Restricted cash and cash equivalents	.....	29,941	11,112	365,605
Restricted pooled investments with State Treasury	.....	101,357	.....	629,863
Restricted investments	.....	1,940,040	.....	2,877,942
Other loans and notes receivable, net	2,671,855	36,375	254,089	51,030
Other assets	18,930	304,393	436,737	331,131
Capital assets, net	.....	2,891,015	16,505	19,622,029
Total assets	5,721,556	7,509,927	16,142,162	31,810,388
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Accum. decrease in fair value -Hedging derivatives	.....	39,425	.....	13,739
Total deferred outflows of resources	.....	39,425	.....	13,739
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	77,578	419,395	1,732,174	848,772
Due to component units/primary	.....	.....	.....	113,341
Deferred revenues	85,156	85,496	.....	319,904
Long-term liabilities				
Due within one year	414,977	101,769	2,545,964	302,626
Due in more than one year	3,210,614	1,398,594	5,106,099	5,005,147
Total liabilities	3,788,325	2,005,254	9,384,237	6,589,790
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	.....	.....	.....	2,404
Total deferred inflows of resources	.....	.....	.....	2,404
<b>NET POSITION</b>				
Net investment in capital assets	.....	1,981,462	16,505	16,619,923
Restricted for				
Debt service	.....	5,453	.....	78,642
Other	1,819,915	999,101	.....	3,008,783
Funds held for permanent endowment				
Expendable	.....	273,155	.....	367,699
Nonexpendable	.....	1,163,736	.....	2,145,343
Unrestricted	113,316	1,121,191	6,741,420	3,011,543
Total net position	\$ 1,933,231	\$ 5,544,098	\$ 6,757,925	\$ 25,231,933

The notes to the financial statements are an integral part of this statement.

Totals	
6/30/13	
<hr/>	
\$	2,631,638
	2,619,569
	20,819,045
	2,137,624
	318,325
	67,883
	406,658
	731,220
	4,817,982
	3,013,349
	1,091,191
	22,529,549
	<hr/>
	61,184,033
	<hr/>
	53,164
	<hr/>
	53,164
	<hr/>
	3,077,919
	113,341
	490,556
	3,365,336
	14,720,454
	<hr/>
	21,767,606
	<hr/>
	2,404
	<hr/>
	2,404
	<hr/>
	18,617,890
	84,095
	5,827,799
	640,854
	3,309,079
	10,987,470
	<hr/>
\$	39,467,187
	<hr/>

## 2013 STATE OF FLORIDA CAFR

**STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

Functions/Programs	Expenses	Program Revenues			Florida Housing Finance Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Florida Housing Finance Corporation	\$ 188,544	\$ 216,633	\$ .....	\$ .....	\$ 28,089
University of Florida	4,322,636	2,864,447	788,569	21,070	.....
Citizens Property Insurance Corporation	1,859,118	2,296,975	.....	.....	.....
Nonmajor component units	10,949,743	3,156,462	3,740,408	465,805	.....
Total component units	\$ 17,320,041	\$ 8,534,517	\$ 4,528,977	\$ 486,875	28,089

General revenues

Property taxes	.....
Investment earnings (losses)	.....
Gain (loss) on sale of capital assets	.....
Payments from the State of Florida	.....
Miscellaneous	(108,977)
Contributions to permanent funds	.....
Total general revenues and contributions	(108,977)
Change in net position	(80,888)
Net position - beginning	2,014,119
Adjustments to increase (decrease) beginning net position	.....
Net position - ending	\$ 1,933,231

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/13
\$ .....	\$ .....	\$ .....	\$ 28,089
(648,550)	.....	.....	(648,550)
.....	437,857	.....	437,857
.....	.....	(3,587,068)	(3,587,068)
(648,550)	437,857	(3,587,068)	(3,769,672)
.....	.....	479,888	479,888
164,175	278,446	434,545	877,166
(2,698)	.....	(19,361)	(22,059)
494,979	.....	2,425,172	2,920,151
136,864	6,830	531,621	566,338
40,184	.....	41,005	81,189
833,504	285,276	3,892,870	4,902,673
184,954	723,133	305,802	1,133,001
5,405,088	6,034,792	24,926,131	38,380,130
(45,944)	.....	.....	(45,944)
\$ 5,544,098	\$ 6,757,925	\$ 25,231,933	\$ 39,467,187

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

The State of Florida's (the state's) financial reporting entity includes the primary government (i.e., legislative agencies, the Governor and Cabinet, departments and agencies, commissions and boards of the Executive Branch, and various offices relating to the Judicial Branch) and its component units.

Component units, as defined in Governmental Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*, and Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*, are legally separate organizations for which the elected officials of the state are financially accountable. Financial accountability is the ability of the state to appoint a voting majority of an organization's governing board and to impose its will upon the organization. When the state does not appoint a voting majority of an organization's governing body, GASB standards require inclusion in the financial reporting entity if: (1) an organization is fiscally dependent upon the state because its resources are held for the direct benefit of the state or can be accessed by the state *and* (2) the potential exists for the organization to provide specific financial benefits to, or impose specific financial burdens on the state. In addition, component units can be other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading.

### Blended Component Units

A component unit is reported as blended when either (1) the component unit's governing body is substantively the same as the governing body of the state, *and* (a) there is a financial benefit or burden relationship between the governing body of the state and the component unit, *or* (b) management of the governing body of the state has operational responsibility for the component unit, *or* (2) the component unit provides services entirely, or almost entirely, to the state or otherwise exclusively, or almost exclusively, benefits the state, *or* (3) the component unit's outstanding debt is expected to be repaid entirely or almost entirely with resources of the state.

The following component units provide services entirely or almost entirely to the primary government, or have outstanding debt that is expected to be paid entirely or almost entirely with state resources:

- Citrus Commission (Department of Citrus)
- Corrections Foundation, Inc.
- Florida Board of Governors
- Florida Clerks of Court Operations Corporation
- Florida Engineers Management Corporation
- Florida Prepaid College Board
- Florida School for the Deaf and the Blind
- Florida Surplus Lines Service Office
- Florida Water Pollution Control Financing Corporation
- Inland Protection Financing Corporation
- Prescription Drug Monitoring Program Foundation\*
- Scripps Florida Funding Corporation
- Space Florida
- State Board of Administration of Florida (SBA)
- State Board of Education (SBE)
- Volunteer Florida Foundation
- Wireless Emergency Telephone System
- Workforce Florida, Inc.

Blended component units that are considered major funds are reported in separate columns in the fund financial statements. Other blended component units that are considered nonmajor funds are reported with other funds in the appropriate columns in the fund financial statements. In addition, the financial data for some blended component units are reported in more than one fund type, some of which are considered major and others that are considered nonmajor. Refer to Section D of this note for more information on the determination criteria for major funds and a list of major funds and fund types.

\* The state's financial statements do not include amounts relating to this component unit. The assets of this component unit at June 30, 2013, are approximately \$69,000.

## Discretely Presented Component Units

Component units that are not blended are discretely presented. In the government-wide financial statements, discrete presentation entails reporting component unit financial data in a column separate from the financial data of the state.

In addition, financial data for discretely presented component units that are considered major are reported in separate columns in the basic financial statements for component units. Discretely presented component units that are considered nonmajor are combined and reported in one column in the component unit financial statements and are aggregated by type in the combining statements. The state's financial statements are reported for the fiscal year ended June 30, 2013. The state's component units' financial statements are reported for the most recent fiscal year for which an audit report is available. Some component units have a fiscal year other than June 30. Accordingly, amounts reported by the state as due from and to component units on the statement of net position may not agree with amounts reported by the component units as due from and to the state. Refer to Section D of this note for more information on major fund determination and presentation. The state's discretely presented component units are grouped into the following categories:

***State Universities and Colleges.*** State universities and colleges receive funding from the state. The State University System is governed by the Florida Board of Governors. The Florida College System is governed by the State Board of Education. Each university and college is administered by a local board of trustees. All state universities and colleges have a June 30 year-end. Component units included in this category are:

### ***State Universities***

#### ***Major:***

- University of Florida

#### ***Nonmajor:***

- Florida Agricultural and Mechanical University
- Florida Atlantic University
- Florida Gulf Coast University
- Florida International University
- Florida Polytechnic University
- Florida State University
- New College of Florida
- University of Central Florida
- University of North Florida
- University of South Florida
- University of West Florida

### ***Florida College System Institutions***

#### ***Nonmajor:***

- Brevard Community College
- Broward Community College
- Chipola College
- College of Central Florida
- Daytona State College
- Edison State College
- Florida Gateway College
- Florida Keys Community College
- Florida State College at Jacksonville
- Gulf Coast State College
- Hillsborough Community College
- Indian River State College
- Lake-Sumter State College
- Miami Dade College
- North Florida Community College
- Northwest Florida State College
- Palm Beach State College
- Pasco-Hernando Community College
- Pensacola State College
- Polk State College
- Santa Fe College
- Seminole State College of Florida
- South Florida State College
- St. Johns River State College

- St. Petersburg College
- State College of Florida, Manatee-Sarasota
- Tallahassee Community College
- Valencia College

**Florida Housing Finance Corporation (Major).** Pursuant to Section 420.504, Florida Statutes (F.S.), this corporation was created as an entrepreneurial public corporation organized to provide and promote public welfare by administering the governmental function of financing or refinancing housing and related facilities in Florida. This entity has a December 31 year-end.

**Water Management Districts.** Pursuant to Section 373.069, F.S., these districts were created to provide for the management and conservation of water and related land resources. In addition, the general regulatory and administrative functions of these districts are either fully or in part financed by general appropriations. Water management districts have a September 30 year-end. Component units included in this category are:

***Nonmajor:***

- Northwest Florida Water Management District
- St. Johns River Water Management District
- South Florida Water Management District
- Southwest Florida Water Management District
- Suwannee River Water Management District

**Citizens Property Insurance Corporation (Major).** Pursuant to Section 627.351(6), F.S., this corporation was created to provide certain residential property and casualty insurance coverage to qualified risks in the state under specified circumstances. This entity has a December 31 year-end. For additional information, refer to Note 14B.

**Other.** Additional discretely presented component units of the state include various foundations and not-for-profit organizations. The fiscal year-ends of these component units may vary. Component units included in this category are:

***Nonmajor:***

- Commission for Florida Law Enforcement Accreditation, Inc.\*
- Enterprise Florida, Inc.
- Florida Agricultural Museum\*
- Florida Agriculture Center and Horse Park Authority\*
- Florida Agriculture in the Classroom, Inc.\*
- Florida Birth-Related Neurological Injury Compensation Plan
- Florida Board of Governors Foundation, Inc.\*
- Florida Comprehensive Health Association
- Florida Development Finance Corporation\*
- Florida Education Foundation, Inc.\*
- Florida Education Fund, Inc.
- Florida Fund for Minority Teachers, Inc.\*
- Florida Healthy Kids Corporation
- Florida Mobile Home Relocation Corporation\*
- Florida Patient's Compensation Fund
- Florida State Fair Authority
- Florida Telecommunications Relay, Inc.\*
- Florida Tourism Industry Marketing Corporation, Inc.
- Florida Veterans Foundation, Inc.\*
- Florida Virtual School
- Forestry Arson Alert Association, Inc.\*
- Friends of Florida State Forests, Inc.\*
- Higher Educational Facilities Financing Authority\*
- Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE)
- South Florida Regional Transportation Authority
- Technological Research and Development Authority\*
- The Florida College System Foundation, Inc.\*
- The Florida Endowment Foundation for Vocational Rehabilitation, Inc.

- Wildlife Alert Reward Association\*
- Wildlife Foundation of Florida, Inc.\*

\*The state's financial statements do not include amounts relating to several component units. The assets and revenues relating to these component units totaled \$99 million and \$138 million, respectively. These amounts represent one percent or less of total aggregate component unit assets and revenues.

### **Joint Ventures**

A joint venture is an organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (1) an ongoing financial interest or (2) an ongoing financial responsibility. Financial data for the state's joint ventures are not included in its statements. The state's joint ventures include the following:

***Apalachicola-Chattahoochee-Flint River Basin (ACFRB) Commission.*** Section 373.69, F.S., provided for the creation of an interstate administrative agency to promote interstate comity, remove causes of present and future controversies, equitably apportion the surface waters of the ACFRB, and engage in water planning. Operational funding required by the Commission is equally shared among the party states.

***Board of Control for Southern Regional Education.*** Section 1000.32, F.S., promotes the development and maintenance of regional education services and facilities in the southern states to provide greater educational advantages and facilities for the citizens in the region. The states established a joint agency called the Board of Control for Southern Regional Education to submit plans and recommendations to the states from time to time for their approval and adoption by appropriate legislative action for the development, establishment, acquisition, operation, and maintenance of educational facilities in the region.

***Regional Planning Councils.*** Sections 186.501 through 186.513, F.S., the "Florida Regional Planning Council Act," provide for the creation of regional planning agencies to assist local governments in resolving their common problems. The regional planning councils are designated as the primary organizations to address problems and plan solutions that are of greater-than-local concern or scope. Participants in these councils are required by statutes to contribute to the support of these programs.

***Southern States Energy Compact.*** Section 377.711, F.S., enacted this compact into law joining the State of Florida and other states to recognize that the proper employment and conservation of energy, and the employment of energy-related facilities, materials, and products can assist substantially in the industrialization of the South and the development of a balanced economy in the region. The State of Florida appropriates funds to support Florida's participation in the compact.

### **Related Organizations**

Organizations for which the state is accountable because the state appoints a voting majority of the board, but for which the state is not financially accountable, are deemed "related organizations". The state's related organizations include certain transportation authorities, hospital districts, port authorities, and aviation authorities. The state is not financially accountable for any of these organizations and, therefore, applicable financial data is not included in the state's financial statements.

### **Contact**

Financial statements of the component units that issue separate statements and other financial statement-related information may be obtained from:

Department of Financial Services  
Bureau of Financial Reporting  
Statewide Financial Reporting Section  
200 East Gaines Street  
Tallahassee, Florida 32399-0364  
Telephone: (850) 413-5511  
Department Website: <http://www.myfloridacfo.com>

Joint ventures may be contacted directly for their financial statements.

### **B. Basic Financial Statements**

The state's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by GASB. The basic financial statements of the state, including its component units, are presented in the required format discussed below.

## **Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its discretely presented component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function. Some functions may include administrative overhead that is essentially indirect expenses of other functions. The state currently does not allocate those indirect expenses to other functions. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function. Taxes and other items not included in program revenues are reported in general revenues.

## **Fund Financial Statements**

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

### **C. Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, while expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Revenues collected within 60 days of the end of the current fiscal year are considered available, with the exception of certain tax revenues, which are considered available when collected within 30 days of year-end. For governmental funds, certain long-term liabilities, such as compensated absences, due within 60 days of the end of the current fiscal year are expected to be liquidated with expendable financial resources and are recognized within the applicable governmental fund. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures for insurance and similar services extending over more than one fiscal year generally are accounted for as expenditures of the fiscal year of acquisition. Further, principal and interest on general long-term debt are recognized when due.

### **D. Basis of Presentation**

#### **Major Funds**

GASB Codification Section 2200, *Comprehensive Annual Financial Report*, sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses for either fund category or the governmental and enterprise funds combined) for the determination of major funds. GASB Codification Section 2200 further requires that the reporting government's main operating fund (the General Fund) always be reported as a major fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements. The state reports the following major funds:

#### **Major Governmental Funds**

**General Fund** – a fund that accounts for the financial resources of the state, except those required to be accounted for in another fund. This is the state's primary operating fund.

**Environment, Recreation and Conservation** – a special revenue fund that accounts for the operations of various programs such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation. Transfers from other funds, pollutant tax collections, and federal grants are its major sources of revenue.

**Public Education** – a special revenue fund that includes funds used to operate education-related programs. Significant sources of revenue for this fund are federal grants, transfers from the Florida Lottery, and utility taxes.

**Health and Family Services** – a special revenue fund that includes funds used to operate various health and family service-related programs such as health care, elder affairs, and public assistance. Grants and funding from the federal government are the predominant sources of revenue for this fund.

**Transportation** – a special revenue fund that accounts for the maintenance and development of the state highway system and other transportation-related projects. It accounts for federal grants, motor fuel and aviation fuel taxes, automobile registration fees, and other revenues that are used for transportation purposes.

### **Major Business-type Funds**

**Transportation** – an enterprise fund that primarily accounts for operations of the Florida Turnpike.

**Lottery** – an enterprise fund that accounts for state lottery operations, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Educational Enhancement Trust Fund.

**Florida Hurricane Catastrophe Fund** – an enterprise fund that accounts for investments for the Florida Hurricane Catastrophe Fund, which was created to help cover insurers' losses in the event of a hurricane disaster.

**Prepaid College Program** – an enterprise fund that accounts for payments from purchasers of the Florida Prepaid College Program. This program was created to provide a medium through which the cost of state post-secondary education may be paid in advance of enrollment at a rate lower than the projected corresponding costs at the time of enrollment.

**Reemployment Assistance** – (formerly Unemployment Compensation) an enterprise fund that accounts for contributions, benefit payments, grants, loans, and investments for the Unemployment Compensation Fund, which was created to pay reemployment assistance benefits to eligible individuals.

### **Fund Types**

Additionally, the state reports the following fund types:

### **Internal Service Funds**

These proprietary-type funds are primarily used to report activities that provide goods or services to other funds or agencies within the state, rather than to the general public. Internal service funds are classified into the following categories:

- **Employee Health and Disability** - includes funds that account for state employees' health and disability plans.
- **Data Centers** – includes funds that account for services provided by data processing centers operated by various agencies.
- **Communications and Facilities** – includes funds that primarily account for services provided by the Department of Management Services such as those related to the construction, operation, and maintenance of public facilities, and management and operation of the SUNCOM (state communication) Network.
- **Other** – includes funds that account for services provided to other state agencies such as legal services, records management, and community services (inmate work squads).

### **Fiduciary Fund Types**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the state's own programs.

**Private-Purpose Trust Funds** – funds that are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments including funds accounting for unclaimed property; federally guaranteed, higher education loans; contributions to a college savings plan; and various others.

**Pension and Other Employee Benefits Trust Funds** - funds that are used to report resources that are required to be held in trust for the members and beneficiaries of the state's pension plans and other employee benefit plans.

**Agency Funds** - funds that are used to report resources held by the state in a purely custodial capacity. For example, these funds account for asset and liability balances related to retiree health care, taxes collected and held by the Department of Revenue for other entities, and student funds held by the School for Deaf and Blind.

**Investment Trust Funds** - funds that are used to report the external portion of investment pools reported by the state.

## E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

### Cash and Cash Equivalents

The state's cash includes cash on hand and on deposit in banks, including demand deposits, certificates of deposit, and time deposits. Most deposits are held by financial institutions qualified as public depositories under Florida law. Cash equivalents are short-term, highly liquid investments. For the purposes of GASB Codification Section 2450, *Cash Flows Statements*, pooled investments with the State Treasury are considered cash equivalents. Details of deposits are included in Note 2.

### Investments

Florida Statutes authorize the state to invest in various instruments. The state reports investments in accordance with GASB Codification Section I50, *Investments*.

Investments with the State Treasury are reported at fair value which is obtained from independent pricing service providers. Independent pricing service providers use quoted market prices when available and employ various, sometimes proprietary, multifactor models for determining a security's fair value if it is not available from quoted market prices. Some securities, including U.S. government, municipal bonds, and mortgage-backed and asset-backed securities, are priced using evaluated bid prices. Evaluated bid prices are determined by taking bid prices and adjusting them by an evaluated adjustment factor derived from the independent pricing service's multifactor model. If values are not available using the above methods, secondary methods such as non-evaluated mid price and bid price are used. If no source of values is available, cost or last available price from any source is used, or other pricing methodology as directed by the State Treasury.

Investments managed by the State Board of Administration (SBA) are reported in various funds. Investments of the Debt Service Escrowed Fund, which meet the requirements of a legal or in-substance defeasance, are reported at cost. Investments of the Local Government Surplus Funds Trust Fund are reported based on amortized cost and disclosed in Note 2 at fair value. Other investments managed by the SBA, including those related to the state's defined benefit and defined contribution pension plans, are reported at fair value at the reporting date.

For SBA-managed investments, fair values are obtained or estimated in accordance with the Global Pricing Guidelines established with the SBA's custodian, BNY Mellon Bank. BNY Mellon Bank uses a variety of independent pricing vendors and designates certain vendors as the primary source based on asset type, class or issue. BNY Mellon Bank monitors prices supplied by primary sources and may use a supplemental price source or change the primary price source if any of the following occurs:

- The price of a security is not received from the primary price source.
- The primary price source no longer prices a particular asset type, class or issue.
- The SBA or its portfolio investment manager challenges a price and BNY Mellon Bank reviews the price with the vendor, who agrees that the price provided by that vendor may not be appropriate.
- The price from the primary source exceeds BNY Mellon Bank's price tolerance checkpoints and results in a vendor comparison review where another source is deemed to be more appropriate by the BNY Mellon Bank.

When a portfolio includes securities or instruments for which BNY Mellon Bank does not receive fair value information from its vendor price sources, BNY Mellon Bank uses a "non-vendor price source." Examples include, but are not limited to, limited partnerships or similar private investment vehicles that do not actively trade through established exchange mechanisms; other private placements where there is limited or no information in the market place; and unique fixed income and equity instruments. The SBA does not provide direction regarding the substitution of prices in such instances where securities or instruments are in the portfolio of an investment manager appointed by the SBA. In such cases where the SBA directed the purchase of such securities or instruments, BNY Mellon may obtain the non-vendor prices by contacting the SBA only if it is not commercially reasonable to directly obtain the non-vendor price information from the broker of record, as identified by the SBA.

For alternative investments, where no readily ascertainable market value exists (including limited partnerships, hedge funds, and real estate pooled funds), management has determined fair values for the individual investments based on the net asset value (capital account balance) at the closest available reporting period, as communicated by the general partner, adjusted for subsequent contributions and distributions. The valuation techniques vary based upon investment type and involve a certain degree of judgment. The most significant input into the net asset value of an entity is the value of its investment holdings. The net asset value is provided by the general partner and/or investment manager and reviewed by management. Annually, the financial statements of the partnerships are audited by independent auditors.

All real estate direct-owned properties are required to be valued by independent, licensed appraisers selected by an appraisal management company retained by the SBA. Appraisals on debt associated with direct-owned properties are also required. The

external appraisals are generally spread evenly throughout the year depending upon property type. The annual appraised value is adjusted for subsequent events (capital calls and capital distributions; operating income and expenses; and realized gains and losses) to derive the monthly market value. Direct-owned properties are held within title holding companies whose financial statements are subject to annual audit by an auditing firm retained by the SBA.

All derivative financial instruments are reported at fair value in the statements of net position. The instruments are adjusted to fair value at least monthly, with valuation changes recognized in investment earnings. Gains and losses are recorded in the statements of changes in net position as “net increase (decrease) in fair market value” during the period.

Because of the inherent uncertainty of the valuation using pricing methodologies other than the quoted market prices, the estimated fair values may differ from the values that would have been used had a ready market existed.

Investment detail is included in Note 2.

### **Inventories**

Inventories primarily consist of expendable supplies. Inventories are recorded according to the consumption method as expenditures when consumed. At the end of the fiscal year, inventory is reported as an asset and identified in fund balance as nonspendable. The method used to determine the cost of inventories varies by agency responsible for the inventories.

### **Capital Assets**

Capital assets are real, personal, and intangible property that have a cost equal to or greater than an established capitalization threshold and have an estimated useful life extending beyond one year. For additional information, refer to Note 5.

### **Deferred Outflows of Resources**

A consumption of net assets by the government that is applicable to a future reporting period is presented as a deferred outflow of resources.

### **Long-term Liabilities**

Refer to Note 8 for information on bonds payable and certificates of participation, Note 9 for information on installment purchases, capital leases, advances from the Federal government, and public-private partnership agreements, and Note 10 for changes in long-term liabilities.

### **Compensated Absences Liability**

Employees earn the right to be compensated during absences for vacation and illness as well as for unused special compensatory leave earned for hours worked on legal holidays and other specifically authorized overtime. Compensated absences for annual leave are recorded as a liability when the benefits are earned. Compensated absences for sick leave are calculated based on the vesting method. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from state service. The amounts reported for compensated absences are based on current year-end salary rates and include employer Social Security and Medicare tax and pension contributions at current rates.

### **Deferred Inflows of Resources**

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period.

### **Components of Net Position**

The government-wide statement of net position classifies net position into the following categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The “net investment in capital assets” component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. “Restricted” net position is reported when constraints are placed on net position that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. “Unrestricted” net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” When both restricted and unrestricted resources are to be used for the same purpose, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources. At June 30, 2013, the government-wide statement of net position reported a restricted net position of \$18.7 billion, of which \$10.9 billion is restricted by enabling legislation.

## Components of Fund Balance

**Nonspendable fund balance** includes amounts that cannot be spent. This includes activity that is not in a spendable form such as inventories, prepaid amounts, and long-term portion of loans/ net notes receivable unless the proceeds are restricted, committed or assigned. Additionally, activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund, is considered to be nonspendable.

**Restricted fund balances** have constraints placed upon the use of the resources either by an external party, such as the Federal government, or imposed by law through a constitutional provision or enabling legislation.

**Committed fund balance** includes amounts that can be used only for the specific purposes determined by a formal action of the state's highest level of decision-making authority, the Legislature and the Governor, i.e. through legislation passed into law. Commitments may only be modified or rescinded by equivalent formal, highest-level action.

**Unassigned fund balance** is the residual amount of the General Fund not included in the three categories described above. Also, any remaining deficit fund balances within the other governmental fund types are reported as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the state's general policy to use restricted resources first. When expenditures are incurred for which unrestricted (committed or unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the state's general policy to spend committed resources first. However, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources.

Fund Balances Classifications and Special Revenue by Purpose – The Governmental Accounting Standards Board, in Statement No. 54, requires presentation of governmental fund balances and special revenue fund revenues by specific purpose. In the basic financial statements, the fund balance classifications are presented in the aggregate. The table presented below displays further detail of nonspendable fund balance and appropriation of resources existing at June 30, 2013 (in thousands).

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Inventory and Prepaid Items	\$ 10,109	\$ 563	\$ 36	\$ 34,748	\$ 11,026	\$ 1,925	\$ 58,407
Long-term Receivables and Advances	17,409	41,826	.....	.....	.....	11,170	70,405
Permanent Fund Principal	.....	.....	.....	.....	.....	15,839	15,839
Total	27,518	42,389	36	34,748	11,026	28,934	144,651
<b>Restricted:</b>							
Grantors/Contributors	150	14,324	.....	11,058	32,316	29,317	87,165
Enabling Legislation	27,624	19,112	.....	25,695	50	381,789	454,270
Constitutional Provision	.....	15,115	284,403	.....	.....	5,308	304,826
Creditors	8,759	103,845	841,397	6,045	.....	1,466,990	2,427,036
Federal Government	23,826	1,793,137	27,565	86,472	25,000	132,923	2,088,923
Total	60,359	1,945,533	1,153,365	129,270	57,366	2,016,327	5,362,220
<b>Committed:</b>	746,914	555,334	390,738	1,473,365	1,597,310	863,712	5,627,373
<b>Unassigned:</b>	5,322,056	.....	(743,777)	.....	.....	.....	4,578,279
Total Fund Balances	\$ 6,156,847	\$ 2,543,256	\$ 800,362	\$ 1,637,383	\$ 1,665,702	\$ 2,908,973	\$ 15,712,523

Section 215.32(2)(b)4.a, F.S., provides that the unappropriated cash balances from selected trust funds may be authorized by the Legislature for transfer to the Budget Stabilization Fund and the General Revenue Fund through the General Appropriation Act. The amounts indicated below were identified in the State's 2013-14 General Appropriations Act as being unappropriated June 30, 2013, cash balances that are to be transferred to and from the funds indicated during the 2013-14 fiscal year.

Transfer to (from) Fund	\$ 125,800	\$ (23,000)	\$ .....	\$ (95,000)	\$ .....	\$ (7,800)	\$ .....
Transfer from Non-Governmental Funds	227,630	.....	.....	.....	.....	.....	227,630
Totals	353,430	(23,000)	.....	(95,000)	.....	(7,800)	227,630

**F. Interfund Activity and Balances**

The effect of interfund activities, except those between funds reported as governmental activities and funds reported as business-type activities, has been eliminated from the government-wide statements. In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or a requirement for repayment. Transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers between funds are made to accomplish various provisions of law.

Interfund receivables and payables have been eliminated from the statement of net position, except for the residual amounts due between governmental and business-type activities.

For additional information, refer to Note 11.

**G. Nonmonetary Transactions**

The state participates in various activities that are, in part, represented by nonmonetary transactions. Examples include nonmonetary assistance in the form of Federal grants, such as vaccines, Electronic Benefit Transfer (EBT) cards for food assistance, and donated food commodities. The state also acts as an agent for the United States Department of Agriculture in the distribution of donated food commodities to qualifying organizations outside the state's reporting entity. The fair value of these items is reported in the governmental fund financial statements.

State Attorneys and Public Defenders of the State of Florida are furnished certain office space and other services by counties under the provisions of Chapter 29, F.S. Some counties also provide certain facilities and services to other officers and staff of the judicial branch. The value of the facilities and services provided by the counties is not reported as revenue.

**H. Operating and Nonoperating Revenues**

Proprietary funds distinguish operating and nonoperating revenues. Operating revenues typically derive from providing goods or services, and include all transactions involved in delivering those goods or services. These revenues are a direct result of exchange-type transactions associated with the principal activity of the fund. Cash flow resulting from capital and related financing, noncapital financing and investment activities are considered nonoperating for reporting purposes.

**I. Accounting and Reporting Changes****Accounting Changes**

The state implemented GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement establishes guidance for accounting and financial reporting for service concession arrangements. These arrangements are often referred to as public-private or public-public partnership. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. As a result of implementing this Statement, presentation and terminology changes were made to the government-wide statements and fund financial statements.

The state implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. This statement modifies existing requirements used for assessing potential component units in determining what should be included in the financial reporting entity, and the financial reporting entity display and disclosure requirements. Implementing this statement resulted in no changes to the financial reporting entity or display; however, the note disclosures were revised to reflect the new disclosure requirements.

The state implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance from other pronouncements that were issued on or before November 30, 1989.

The state implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides guidance for reporting transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods (deferred outflows of resources and deferred inflows of resources). As a result of implementing this Statement, presentation and terminology changes were made to the government-wide statements and fund financial statements.

**Changes in Reporting Component Units**

Florida Polytechnic University was determined to be a new component unit of the State of Florida for the fiscal year ended June 30, 2013.

Space Florida, a blended component unit previously reported as a governmental special revenue fund, was determined to be an enterprise fund. The following is a reconciliation of prior year ending equity balances to current year restated beginning balances (in thousands):

	6/30/2012, As Previously Reported	Fund and Other Reclassifications	6/30/2012, As Restated
<b>GOVERNMENTAL FUNDS AND ACTIVITIES</b>			
Government-wide Reconciling items	\$ 65,677	\$ (65,677)	\$ .....
<u>Special Revenue Funds</u>			
Nonmajor Special Revenue Funds	16,824	(16,824)	.....
<b>TOTAL GOVERNMENTAL FUNDS AND ACTIVITIES</b>	<b>\$ 82,501</b>	<b>\$ (82,501)</b>	<b>\$ .....</b>
<b>PROPRIETARY FUNDS AND BUSINESS-TYPE ACTIVITIES</b>			
<u>Enterprise Funds</u>			
Nonmajor Enterprise Funds	\$ .....	\$ 82,501	\$ 82,501
<b>TOTAL PROPRIETARY FUNDS AND BUSINESS-TYPE ACTIVITIES</b>	<b>\$ .....</b>	<b>\$ 82,501</b>	<b>\$ 82,501</b>

**J. Prior Period Adjustments**

Fund balances and net position at July 1, 2013, have been adjusted as follows in relation to the activities of prior years (in thousands):

**GOVERNMENTAL ACTIVITIES****Governmental Funds****Transportation**

To increase beginning net position to report receivables  
for revenues earned in a prior period

**Total Governmental Funds** \$ 196,159

**Government-wide Reconciling Items****Transportation**

To decrease beginning net position to remove capitalized  
infrastructure relating to assets of another entity

**Total Government-wide Reconciling Items** \$(120,605)

**TOTAL GOVERNMENTAL ACTIVITIES**

**\$ 75,554**

**COMPONENT UNITS****Major Component Units****University of Florida**

To decrease net position related to accounting changes  
and implementation of GASB standards

**Total Major Component Units** \$ (45,944)

**\$ (45,944)**

**K. Budget Stabilization Fund**

The State Constitution mandates the creation and maintenance of a Budget Stabilization Fund, in an amount not less than 5 percent nor more than 10 percent of the last complete fiscal year's net revenue collections for the General Revenue Fund. Monies in the Budget Stabilization Fund may be transferred to the General Revenue Fund to offset a deficit therein or to provide emergency funding, including payment of up to \$38 million with respect to certain uninsured losses to state property. Monies in this fund are constitutionally prohibited from being obligated or otherwise committed for any other purposes. Any withdrawals from the Budget Stabilization Fund must be restored from general revenues in five equal annual installments, commencing in the third fiscal year after the expenditure, unless the Legislature establishes a different restoration schedule, in accordance with Section 215.32, F.S.

In prior fiscal years, the Florida Legislature authorized the transfer of funds from the Budget Stabilization Fund to the General Revenue Fund. These transfers are required to be repaid in accordance with Section 215.32, F.S. The Budget Stabilization Fund had \$708.8 million in cash at June 30, 2013. The planned repayment schedule is presented below. The first repayment was made in June 2013, resulting in a remaining balance of \$643,444,350. Both of these funds are included within the General Fund, therefore, pursuant to generally accepted governmental accounting principles, the Advances to other funds and Advances from other funds were eliminated.

Date	Authority	Borrowed	Repayment
9/11/2008	GAA 2008-2009 Section 77	\$ 672,407,250	\$ .....
2/20/2009	Senate Bill 2-A Section 51	400,000,000	.....
7/1/11-6/30/12		.....	214,481,450
7/1/12-6/30/13		.....	214,481,450
7/1/13-6/30/14		.....	214,481,450
7/1/14-6/30/15		.....	214,481,450
7/1/15-6/30/16		.....	214,481,450
Total		\$ 1,072,407,250	\$ 1,072,407,250

## NOTE 2 - DEPOSITS AND INVESTMENTS

### A. Deposits

At June 30, 2013, the state's deposits in financial institutions totaled approximately \$1.4 billion for primary government and \$3.0 billion for discretely presented component units.

#### 1. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the state will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The state mitigates custodial credit risk by generally requiring public funds to be deposited in a bank or savings association that is designated by the Chief Financial Officer (CFO) as authorized to receive deposits in the state and meets the collateral requirements as set forth in Chapter 280, Florida Statutes (F.S.).

The CFO determines the collateral requirements and collateral pledging level for each Qualified Public Depository (QPD) following guidelines outlined in Section 280.04, F.S., and Department of Financial Services Rules, Chapter 69C-2, Florida Administrative Code. Collateral pledging levels include 25, 50, 125, and 200 percent of a QPD's average daily deposit balance, or, if needed, an amount as prescribed by the CFO. Section 280.13, F.S., outlines eligible types of collateral including direct obligations of the United States (U.S.) Government, federal agency obligations fully guaranteed by the U.S. Government, certain federal agency obligations, state and local government obligations, corporate bonds, and letters of credit issued by a Federal Home Loan Bank. Also, with the CFO's permission, eligible collateral includes collateralized mortgage obligations, real estate mortgage investment conduits and securities or other interests in any open-end management investment company registered under the Investment Company Act of 1940. However, the portfolio of the investment company must be limited to direct obligations of the U.S. Government and to repurchase agreements fully collateralized by such direct obligations of the U.S. Government, and the investment company must take delivery of such collateral either directly or through an authorized custodian.

In accordance with Section 280.08, F.S., if a QPD defaults, losses to public depositors are first satisfied with any applicable depository insurance, followed by demands of payment under any letters of credit or sale of the defaulting QPD's collateral. If necessary, any remaining losses are to be satisfied by assessments against the other participating QPDs according to a statutory based ratio.

At June 30, 2013, the following deposits were not secured pursuant to Chapter 280, F.S., and were exposed to custodial credit risk because they were uninsured and (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the state's name (in thousands).

#### Custodial Credit Risk As of June 30, 2013

Custodial Credit Risk	Bank Statement Balance (in U.S. \$)	
	Primary Government	Component Units
(1)	\$ 346,618	\$ 290,462
(2)	.....	427,189
(3)	.....	38,444
Total deposits subject to custodial credit risk	\$ 346,618	\$ 756,095

## 2. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. Under Section 215.47, F.S., and subject to the limitations and conditions of the State Constitution or of the trust agreement relating to a trust fund, moneys available for investments by the State Board of Administration (SBA) may be invested in fixed income obligations or stocks denominated in foreign currency. The SBA has developed total fund investment policies for the investment of assets in the Florida Retirement System (FRS) Pension Trust Fund and the Lawton Chiles Endowment Fund (LCEF) that set ranges on investments by asset class in each fund. Under the investment policy statements approved by SBA Trustees on February 9, 2012, foreign and domestic equity securities are included in the global equity asset class. The FRS Pension Trust Fund and LCEF have target allocations to global equities of 52% and 71%, respectively, with policy ranges from 44-60% for FRS and 61-81% for LCEF, but within these ranges there are no limits on the amount of foreign equity securities that are not denominated in U.S. dollars. In both cases, Florida law limits the exposure to foreign securities to 35% of the total fund. The FRS Pension Trust Fund and LCEF investment plans may be modified in the future if the SBA adopts changes. This investment activity in foreign investments resulted in deposits in foreign currency as of June 30, 2013, as illustrated in the following schedule (in thousands):

### Foreign Currency Deposits Held As of June 30, 2013

Currency	Bank Statement Balance (in U.S. \$)			
	FRS Pension Trust Fund	LCEF	Prepaid Program	Total
Australian dollar	\$ 14,390	\$ 271	\$ 25	\$ 14,686
Brazilian real	2,333	35	.....	2,368
British pound sterling	31,719	37	25	31,781
Canadian dollar	4,371	12	.....	4,383
Chilean peso	120	.....	.....	120
Columbian peso	194	.....	.....	194
Egyptian pound	408	.....	.....	408
Euro currency unit	77,865	324	103	78,292
Hong Kong dollar	10,629	20	31	10,680
Indian rupee	2,974	.....	.....	2,974
Indonesian rupiah	1,253	9	.....	1,262
Israeli shekel	708	183	17	908
Japanese yen	32,109	185	253	32,547
Malaysian ringgit	622	8	.....	630
Mexican new peso	549	85	.....	634
New Zealand dollar	131	.....	28	159
Norwegian krone	2,080	78	5	2,163
Pakistan rupee	502	.....	.....	502
Philippines peso	641	.....	.....	641
Polish zloty	2,604	335	.....	2,939
Qatari riyal	887	.....	.....	887
Singapore dollar	3,978	14	15	4,007
South African rand	827	.....	.....	827
South Korean won	1,861	.....	.....	1,861
Swedish krona	1,864	.....	14	1,878
Swiss franc	1,332	1	.....	1,333
Taiwan new dollar	16,849	.....	.....	16,849
Thailand baht	1,260	345	.....	1,605
Turkish new lira	1,522	66	.....	1,588
UAE dirham	708	.....	.....	708
Vietnam dong	2,317	.....	.....	2,317
Other	281	12	.....	293
Total deposits subject to foreign currency risk	\$ 219,888	\$ 2,020	\$ 516	\$ 222,424

**B. Investments**

At June 30, 2013, the state's investments in governmental and business-type activities and fiduciary funds totaled \$202.1 billion, consisting of pooled investments with the State Treasury in the amount of \$18.3 billion and other investments in the amount of \$183.8 billion. The State Treasury also had holdings at June 30, 2013, of \$3.6 billion for discretely presented component units in total. These investments are not reported as part of the primary government and may be different from the amounts reported by some component units due to different reporting periods. Other investments for discretely presented component units totaled \$ 24.8 billion.

***Pooled Investments with the State Treasury***

Unless specifically exempted by statute, all cash of the state must be deposited in the State Treasury. The State Treasury, in turn, keeps the funds fully invested to maximize earnings. In addition, the State Treasury may invest funds of any board, association, or entity created by the State Constitution, or by law. As a result, pooled investments with the State Treasury contains deposits from funds and component units of the reporting entity (internal portion) as well as deposits from certain legally separate organizations outside the reporting entity (external portion). The external portion of pooled investments with the State Treasury is reported in a governmental external investment pool.

Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with State Treasury is provided by the Treasury Investment Committee per Section 17.575, F.S. The authorized investment types are set forth in Section 17.57, F.S.

Redemptions are on a dollar in/dollar out basis adjusted for distributed income. The fair value of the pooled investments with the State Treasury is determined at fiscal yearend for financial reporting purposes.

The State Treasury does not contract with an outside insurer in order to guarantee the value of the portfolio, or the price of shares redeemed.

Per Section 17.61(1), F.S., the State Treasury shall invest all general revenue funds, trust funds, all agency funds of each state agency, and of the judicial branch. As a result, state agencies and the judicial branch are considered involuntary participants in pooled investments with the State Treasury. The total involuntary participation as of June 30, 2013, was \$16.7 billion or 76% of the pool.

At year end, the condensed financial statements for the Investment Pool maintained by the State Treasury were as follows (dollars in thousands):

**Condensed Statement of Fiduciary Net Position**  
**June 30, 2013**

<b>ASSETS</b>	
Current and Other Assets	\$ 23,356,838
Total Assets	<u>23,356,838</u>
<b>LIABILITIES</b>	
Other Liabilities	3,217,992
Total Liabilities	<u>3,217,992</u>
<b>NET POSITION</b>	
Net position held for Internal Pool Participants	18,727,568
Net position held for External Pool Participants	1,411,278
	<u>\$ 20,138,846</u>

**Condensed Statement of Changes in Fiduciary Net Position**  
**June 30, 2013**

<b>ADDITIONS</b>	
Net income (loss) from investing activity	\$ (23,671)
<b>DEDUCTIONS</b>	
Distributions paid and payable	23,671
<b>DEPOSITOR ACTIVITY</b>	
Deposits	131,092,943
Withdrawals	(129,327,133)
Excess (deficiency) of deposits over withdrawals	1,765,810
Change in net position	1,765,810
Net position, beginning	18,373,036
Net position, ending	<u>\$ 20,138,846</u>

The following table provides a summary of the fair value, the number of shares or the principal amount, ranges of interest rates, and maturity dates of each major investment classification (dollars in thousands):

**Summary of Investment Holdings**

	Par	Fair Value	Range of Interest Rates *	Range of Maturity Dates
Commercial Paper	\$ 390,000	\$ 389,984	.05%-.11%	7/1/2013-8/1/2013
Repurchase Agreements	1,753,146	1,753,146	.01%-.15%	7/1/2013-7/3/2013
U.S. Guaranteed Obligations	4,622,772	4,580,501	.12%-31.63%	8/31/2013-12/20/2062
Federal Agencies	5,064,127	5,028,418	.11%-18.00%	7/12/2013-3/1/2041
Domestic Bonds & Notes	4,902,140	3,733,557	0%-10.35%	7/2/2013-7/1/2111
International Bonds & Notes	620,552	630,662	0%-9.63%	8/1/2013-12/20/2054
Federal Agencies Discounted Securities	3,777,816	3,776,539	.01%-3.44%	7/1/2013-3/25/2042
U.S. Guaranteed Obligations Discounted Securities	1,335,305	1,326,830	.01%-3.69%	7/5/2013-5/15/2030
Commingled STIF	634,981	634,981	N/A	N/A
Unemployment Compensation Funds	667,942	667,942	N/A	N/A
Totals	<u>\$ 23,768,781</u>	<u>\$ 22,522,560</u>		

\* The coupon rate in effect at June 30, 2013, is reported. If a security is discounted, the purchase yield is reported.

The State Treasury records, as an investment, funds credited to the state's account in the Federal Unemployment Compensation Trust Fund pursuant to Section 903 of the Social Security Act. The fund is drawn upon primarily to pay reemployment assistance benefits. This money is pooled with deposits from other states and is managed by the Federal Government. No disclosures can be made of specific securities owned.

The schedule below discloses the detail of the State Treasury holdings at fair value at June 30, 2013, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Pooled Investments with State Treasury  
As of June 30, 2013**

<b>Investment type</b>	<b>Fair Value</b>
Commercial paper	\$ 389,984
Repurchase agreements	523,288
U.S. guaranteed obligations	5,907,331
Federal agencies	8,728,987
Bonds and notes - domestic	3,419,298
Bonds and notes - international	516,219
Commingled STIF	634,981
Unemployment compensation funds pooled with U. S. Treasury	667,942
Total investments excluding security lending collateral**	<u>20,788,030</u>
Lending collateral investments:	
Repurchase agreements	1,229,858
Federal Agencies	75,970
Bonds and notes - domestic	314,259
Bonds and notes - international	114,443
Total lending collateral investments	<u>1,734,530</u>
Total investments	<u>22,522,560</u>
Cash on deposit	<u>834,278</u>
Total State Treasury holdings	<u>23,356,838</u>
Adjustments:	
Outstanding warrants	(808,247)
Outstanding deposits	(39,999)
SPIA Revolving Account*	(7,761)
Unsettled securities liability	<u>(627,454)</u>
Reconciled balance, June 30, 2013	<u><u>\$ 21,873,377</u></u>
Reconciliation to the basic financial statements (in thousands):	
Pooled investments with State Treasury	
Governmental activities	\$ 13,120,139
Business-type activities	1,877,230
Fiduciary funds	3,216,815
Component units	2,619,569
Component units timing difference	241,184
Total pooled investments with State Treasury	<u>21,074,937</u>
Restricted pooled investments with State Treasury	
Business-type activities	67,220
Component units	731,220
Total restricted pooled investments with State Treasury	<u>798,440</u>
Total pooled investments with State Treasury	<u><u>\$ 21,873,377</u></u>

\* The SPIA Revolving Account is included as cash and cash equivalent by the agencies.

\*\*This amount excludes the Florida Birth-Related Neurological Injury Compensation Association's (NICA) participation in Treasury's Short Term Investment Fund. NICA's portion represents less than a tenth of a percent of the total investments held at Treasury.

**Other Investments**

Other investments in various funds of the state are primarily managed by the SBA. The largest of these funds managed by the SBA is the FRS Pension Trust Fund (Defined Benefit Pension Fund), whose total investments represented 77% of total other investments at June 30, 2013. Investments in the FRS Investment Plan Trust Fund (Defined Contribution Pension Fund) represents 4.3% of total other investment, while investments in the Florida Hurricane Catastrophe Fund and the Florida Prepaid College Trust Fund represented another 6.6% and 6.2%, respectively, of total other investments. Section 215.47, F.S., allows the SBA to invest funds in a range of instruments, including security lending agreements, reverse repurchase agreements and alternative investments (including limited partnerships and hedge funds).

The schedule below discloses other investments at fair value and their total carrying value at June 30, 2013, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Other Investments  
As of June 30, 2013**

Investment type	Fair value			Total
	FRS Pension Trust Fund	Other funds Managed by SBA	Not managed by SBA	
Certificates of deposit	\$ 2,051,388	\$ 3,511,958	\$ 2,280	\$ 5,565,626
Commercial paper	4,755,488	6,142,277	.....	10,897,765
Money market funds	302,990	2,777,286	12,072	3,092,348
Repurchase agreements	750,000	2,600,782	.....	3,350,782
U.S. guaranteed obligations	9,937,361	8,963,425	31,828	18,932,614
Federal agencies	7,792,894	5,237,267	9,240	13,039,401
Domestic bonds & notes	7,694,298	2,426,225	1,370,666	11,491,189
Domestic bonds & notes commingled funds	.....	2,511,094	.....	2,511,094
International bonds & notes	2,451,499	287,859	422	2,739,780
Domestic stocks	38,428,785	820,753	30,489	39,280,027
Domestic equity commingled funds	.....	3,086,070	.....	3,086,070
International stocks	33,946,698	368,274	4,303	34,319,275
International equity commingled funds	6,291,530	1,199,979	.....	7,491,509
Alternative investments	13,555,756	.....	.....	13,555,756
Real estate investments	9,040,776	.....	.....	9,040,776
Option contracts purchased	1,034	.....	.....	1,034
Swap contracts (debt related)	(1,638)	.....	.....	(1,638)
Mutual funds	.....	.....	1,537,443	1,537,443
Deferred compensation annuities	.....	.....	33,001	33,001
Investment agreements	.....	.....	2,447	2,447
Total investments excluding lending collateral	136,998,859	39,933,249	3,034,191	179,966,299
Lending collateral investments:				
Certificates of deposit	.....	423,721	.....	423,721
Commercial paper	.....	339,183	.....	339,183
Repurchase agreements	3,043,723	639,666	.....	3,683,389
Domestic bonds & notes	155,614	146,482	.....	302,096
Security lending collateral pool	.....	94	.....	94
International bonds & notes	46,080	73,445	.....	119,525
Total lending collateral investments	3,245,417	1,622,591	.....	4,868,008
Total investments for all types - fair value	\$ 140,244,276	\$ 41,555,840	\$ 3,034,191	\$ 184,834,307
Total investments for all types - carrying value	\$ 140,244,276	\$ 41,548,110	\$ 3,033,277	\$ 184,825,663
% of total other investments	76%	22%	2%	

Reconciliation of carrying value to the basic financial statements (in thousands):

	Governmental activities	Business-type activities	Fiduciary funds	Component Units <sup>1</sup>	Total
Other investments	\$ 1,147,455	\$ 11,972,456	\$ .....	\$ 786,064	\$ 13,905,975
Restricted investments	.....	1,274,494	.....	.....	1,274,494
Long-term investments	235,299	11,340,490	154,597,517	.....	166,173,306
Security lending collateral	.....	.....	3,245,417	.....	3,245,417
<sup>2</sup> Timing Difference	.....	.....	.....	226,471	226,471
Total other investments	\$ 1,382,754	\$ 24,587,440	\$ 157,842,934	\$ 1,012,535	\$ 184,825,663

<sup>1</sup>The column for Component Units presents investments managed by SBA for Component Units. For presentation of all other investments for Component Units, see the Schedule of Other Investments For Discretely Presented Component Units.

<sup>2</sup>Differences between participant balances posted and actual investments. Some Component Units have fiscal year ends other than June 30, 2013.

Certain investments included in the above schedule were pledged as collateral with the SBA's futures clearing broker. These investments are presented below (in thousands):

**FRS Pension Trust Fund**  
**Securities Pledged as Collateral for Futures Contracts**  
**As of June 30, 2013**

Investment Type	Fair Value
U.S. guaranteed obligations	\$ 17,539
Federal agencies	9,515
Domestic stocks	22,949
Total	\$ 50,003

The FRS Pension Trust Fund also held short positions in investments at June 30, 2013. Short investment positions are reported as liabilities on the Statement of Fiduciary Net Positions. The schedule below presents the short investment positions at fair value at June 30, 2013 (in thousands):

**FRS Pension Trust Fund**  
**Short Investment Positions**  
**As of June 30, 2013**

Investment Type	Fair Value
U.S. guaranteed obligations	\$ (1,833)
Federal agencies	(365,238)
Option contracts	(1,468)
Domestic stocks	(5)
Total	\$ (368,544)

The SBA issued a separate report (financial statements and notes) pertaining to the Local Government Surplus Funds Trust Fund (an external investment pool) within the state's Investment Trust Fund for the period ended June 30, 2013. This report may be obtained from the Chief Operating & Financial Officer, State Board of Administration of Florida, 1801 Hermitage Boulevard, Suite 101, Tallahassee, Florida 32308, (850) 488-4406.

**Component Units**

The schedule below discloses other investments reported at fair value and total carrying value, as of June 30, 2013, for discretely presented component units and a reconciliation to the basic financial statements (in thousands). Those investments held with the State Treasury as of June 30, 2013, are excluded.

**Schedule of Other Investments  
For Discretely Presented Component Units  
As of June 30, 2013**

Investment type	Fair value
Certificates of deposit	\$ 156,645
Commercial paper	45,318
Repurchase agreements	192,817
Money market funds	372,040
U.S. guaranteed obligations	3,390,065
Federal agencies	3,772,685
Domestic bonds & notes	10,439,542
International bonds & notes	36,532
Domestic stocks	992,941
International stocks	330,904
Real estate investments	69,240
Mutual funds	2,198,942
Investment agreements	2,619,885
Total other investments for all types - fair value	<u>\$ 24,617,556</u>
Total other investments for all types - carrying value	<u>\$ 24,850,963</u>
Reconciliation of carrying value to the basic financial statements:	
Other investments	\$ 20,819,045
Restricted investments	4,817,982
Less SBA Investments*	(786,064)
Total other investments for component units	<u>\$ 24,850,963</u>

\*Investment types for Component units with investments held by SBA are disclosed on the Schedule of Other Investments on page 73.

At June 30, 2013, 73.74% of total other investments for discretely presented component units belonged to the following major component units: Florida Housing Finance Corporation, University of Florida, and Citizens Property Insurance Corporation.

# 1. Credit Risk and Concentration of Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of the state's investment in a single issuer.

## *Pooled Investments with the State Treasury*

The State Treasury follows the investment guidelines set forth in Section 17.57, F.S., for reducing exposure to investment credit risk. The State Treasury's rated debt investments as of June 30, 2013, were rated by the nationally recognized statistical rating organizations (NRSRO), Standard and Poor's (S&P) and Moody's, and the ratings are presented below using the applicable rating scale (in thousands):

### State Treasury Credit Quality Ratings As of June 30, 2013

S&P rating**	Moody's rating**	Total*	Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes
AAA		\$ 680,031	\$ .....	\$ .....	\$ 656,208	\$ 23,823
AA		9,037,660	.....	8,297,245	590,215	150,200
A		2,008,981	.....	168	1,699,887	308,926
A-1		415,785	389,984	25,801	.....	.....
BBB		650,797	.....	.....	538,084	112,713
BB		7,510	.....	.....	7,510	.....
B		381	.....	.....	381	.....
Below B		15	.....	.....	15	.....
	AAA	224,457	.....	.....	224,457	.....
	AA	5,856	.....	.....	5,856	.....
	A	232	.....	.....	232	.....
	B	295	.....	.....	295	.....
	Below B	3,732	.....	.....	3,732	.....
Not rated		523,428	.....	481,743	6,685	35,000
		<u>\$ 13,559,160</u>	<u>\$ 389,984</u>	<u>\$ 8,804,957</u>	<u>\$ 3,733,557</u>	<u>\$ 630,662</u>
Not rated		\$ 5,907,331	U.S. guaranteed obligations			
Not rated		634,981	Commingled STIF			
Not rated		1,753,146	Repurchase agreements			
		<u>\$ 21,854,618</u>				

\*The remaining (\$667,942) (in thousands) reported for Pooled Investments with State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool, and outstanding warrants as presented in the Schedule of Pooled Investments with the State Treasury

\*\* Long-term ratings are presented except for "A-1," which is a short-term rating for S&P.

The State Treasury's investment policies allow for unlimited investments in U.S. obligations and certain Federal agency obligations. For other investments, the investment policies address concentration of credit risk by placing limits on amounts invested per issuer (taking into account the maturity date and duration of the investment). In addition, the policies also address limits on certain investments by credit ratings. Limits on amounts invested are expressed in dollar amounts per issuer and also in total amounts per investment type as a percentage of the investment pool's market value. As of June 30, 2013, more than five percent of the State Treasury's investment pool is invested in Federal Home Loan Bank System (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), and the Federal Home Loan Mortgage Corporation (FHLMC). These investments are approximately 13 percent, 10 percent, 9 percent, and 7 percent of the State Treasury's investments pool, respectively.

### ***Other Investments***

The SBA, in compliance with Section 215.47, F.S., has adopted certain investment policies with regard to credit risk of debt securities. Investment policies vary by fund or portfolio. Below are the investment policies and credit risk disclosures for the FRS Pension Trust Fund, which constitute the primary portion of other investments.

**FRS Pension Trust Fund** – Investments are generally managed through individual portfolios within various asset classes, as listed below. Some of the individual portfolios have slightly different restrictions on credit quality.

**Short-term portfolio** – Securities must be high quality at the time of purchase. For short-term investment ratings, this is defined as the highest applicable rating from one of the three NRSROs – S&P A-1, Moody's P-1, Fitch F1. For long-term investment ratings, this is defined as a minimum mid-single A rating from one of the three NRSROs – S&P A, Moody's A2, Fitch A. Securities of a single issuer (excluding U.S. Treasuries and Agencies) should not represent more than 5% of portfolio amortized cost.

**Mortgage Index Portfolio** – Securities are generally limited to those issued by the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC). No specific credit rating criteria are listed.

**Aggregate Less MBS Portfolio** – Securities should be rated investment grade by at least one of the three NRSROs at the time of purchase. Minimum ratings include S&P BBB-, Moody's Baa3, and Fitch BBB-. This portfolio primarily contains U.S. Treasuries, Government Agencies, and Corporates.

**Core portfolios** – Securities should be rated investment grade by one of the three NRSROs at the time of purchase. Minimum ratings include S&P BBB-, Moody's Baa3, and Fitch BBB-. Securities of a single issuer are generally limited to 5% of the market value of the portfolio (excluding U.S. Treasuries and Agencies). The State may own notes secured by first mortgages on Florida real property, insured or guaranteed by the Federal Housing Administration or the U.S. Department of Veterans Affairs, but exposure is limited to 10% of portfolio market value.

**Lending portfolios** – Under investment policy guidelines in effect for the FRS Pension Trust Fund for the fiscal year ended June 30, 2013, eligible investments must be tri-party Qualified Repurchase Agreement transactions in which the subject securities there under will be repurchased by the seller thereof no later than one business day from the purchase date, and such repurchase obligations are collateralized by U.S. Government Securities having a market value of at least 100% of the market value of securities subject to being repurchased. "U.S. Government Securities" means any security issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States, or any certificate of deposit for any of the foregoing, including without limitation notes, bonds and other debt securities issued by the FNMA and the FHLMC. In addition to tri-party repurchase agreements, investments purchased prior to the effective date of the current investment policy guidelines are being held to maturity in existing lending portfolios. The previous investment policy guidelines contained short-term rating requirements that were similar to the current short-term portfolio rating requirements. Repurchase agreements were required to be fully collateralized. These portfolios were allowed to hold up to the greater of \$5 million or 5% of its assets in securities by a single issuer (excluding U.S. Government guaranteed investments, its agencies or instrumentalities). For all lending programs, up to an additional 5% of the book value of the portfolio was allowed to be invested in the obligations of any single issuer, guarantor, or repo counterparty that matured on the next business day, that were redeemable upon demand, or that contained an unconditional put feature.

For Florida Lottery and Lawton Chiles Endowment Fund lending programs, investments with an original maturity of 13 months or less, at the time of purchase must carry a program or instrument rating of, or if unrated be issued or guaranteed as to principal and interest, by an issuer or guarantor whose existing comparable short-term debt obligations have received the highest applicable rating by at least one NRSRO (S&P A-1; Moody's P-1; Fitch F1). Other investments with remaining maturities greater than 13 months but less than or equal to two years, at the time of purchase must carry a program or instrument rating of, or if unrated be issued or guaranteed as to principal and interest, by an issuer or guarantor whose existing comparable long-term debt obligations have a rating of either A or higher by S&P, A2 or higher by Moody's, or A or higher by Fitch, except in the case of asset-backed securities which must have a rating of AAA by S&P, Moody's or Fitch. For investments with remaining maturity greater than two years, at the time of purchase must carry a program or instrument rating of, or if unrated be issued or guaranteed as to principal and interest, by an issuer or guarantor whose existing comparable long-term debt obligations have a rating of either AA- or higher by S&P, Aa3 or higher by Moody's, or AA- or higher by Fitch, except in the case of asset-backed securities which must have a rating of AAA by S&P, Moody's or Fitch. Rating requirements do not apply to securities and instruments issued or guaranteed by the U.S. Government, its agencies or instrumentalities, repurchase agreements and shares of money market funds.

For the Florida Prepaid Program lending program, short-term obligations should be limited to obligations rated in the highest rating category by all NRSRO's, or if only rated by one NRSRO, then rated at the time of purchase in the highest rating category by that NRSRO (S&P A-1, Moody's P-1, Fitch F1 or equivalent). A "short-term obligation" means any eligible security or instrument (other than a repurchase agreement) which has an original maturity of 397 days or less at the time of purchase or has a put that entitles the holder to receive the principal amount at specified intervals not exceeding 397 days. With respect to bonds and other long-term obligations, investment is limited to obligations at the time of purchase in one of the two highest rating categories by at least two NRSROs, or if only rated by one NRSRO, then rated at the time of purchase in one of the two highest rating categories by that NRSRO, or those of comparable quality in the case of unrated securities. The minimum permissible credit rating for long-term obligations is AA- or its equivalent. A "long-term obligation" means any eligible security or instrument (other than a repurchase agreement) which has a remaining maturity of greater than 397 days at the time of purchase and is not subject to a demand feature in 397 days or less.

The FRS Pension Trust Fund did not hold any investments with a single issuer representing 5% or more of the fund's fair market value at June 30, 2013. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2013 (in thousands).

**FRS Pension Trust Fund**  
**Credit Quality Ratings**  
**As of June 30, 2013**

Credit Rating <sup>1</sup>		Total <sup>2</sup>	Certificates of deposit	Commercial paper	Money market funds	Federal agencies	Domestic bonds and notes	International bonds and notes
S&P	Moody							
A-1/AAAm		\$ 5,058,478	\$ .....	\$ 4,755,488	\$ 302,990	\$ .....	\$ .....	\$ .....
AAA		1,243,210	.....	.....	.....	.....	795,136	448,074
AA		2,512,142	351,020	.....	.....	1,125,203	736,161	299,758
A		3,579,166	.....	.....	.....	11,336	2,911,385	656,445
BBB		3,016,195	.....	.....	.....	.....	2,248,420	767,775
BB		212,377	.....	.....	.....	.....	158,692	53,685
B		20,668	.....	.....	.....	.....	20,668	.....
CCC		34,523	.....	.....	.....	.....	34,523	.....
D		14,866	.....	.....	.....	.....	14,866	.....
	Aaa	497,947	.....	.....	.....	.....	392,387	105,560
	Aa	243,927	200,117	.....	.....	.....	37,810	6,000
	A	57,360	.....	.....	.....	.....	38,662	18,698
	Baa	122,216	.....	.....	.....	.....	25,891	96,325
	Ba	2,107	.....	.....	.....	.....	2,107	.....
	Caa	3,362	.....	.....	.....	.....	3,362	.....
Not rated	Not rated	8,631,707	1,500,251	.....	.....	6,656,355	429,842	45,259
		25,250,251	\$ 2,051,388	\$ 4,755,488	\$ 302,990	\$ 7,792,894	\$ 7,849,912	\$ 2,497,579
Not rated	Not rated	3,793,723	Repurchase agreements					
Not rated	Not rated	9,937,361	U.S. guaranteed obligations					
Not rated	Not rated	38,428,785	Domestic stocks					
Not rated	Not rated	33,946,698	International stocks					
Not rated	Not rated	6,291,530	International equity commingled funds					
Not rated	Not rated	13,555,756	Alternative investments					
Not rated	Not rated	9,040,776	Real estate investments					
Not rated	Not rated	1,034	Options purchased					
Not rated <sup>3</sup>	Not rated <sup>3</sup>	(1,638)	Swaps <sup>3</sup>					
		<u>\$ 140,244,276</u>	Total investments					

<sup>1</sup> S&P ratings were primarily used. If S&P did not rate a security, then Moody ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated." Long-term ratings are presented except for "A-1", which is a top tier short-term rating for S&P, and "AAAm", the top money market fund rating for S&P.

<sup>2</sup> All FRS investments are included in this schedule, including security lending collateral investments.

<sup>3</sup> Although-swap contracts do not have specific credit quality ratings, counterparty credit ratings are available and are disclosed below.

All futures and options contracts held by the FRS Pension Trust Fund at June 30, 2013, were exchange traded, therefore minimizing counterparty credit risk through the use of a futures clearing merchant and a clearing house. Counterparty credit ratings for swaps held in the FRS Pension Trust Fund at June 30, 2013, are presented below (in thousands).

**FRS Pension Trust Fund**  
**Swap Counterparty Credit Ratings**  
**As of June 30, 2013**

Counterparty Credit Rating (long/(short))			Fair Value
S&P	Moody	Fitch	
A/A-1	Aa/P-1	A/F1	\$ 319
A/A-1	A/P-2	A/F1	(1,957)
Total swaps			<u>\$ (1,638)</u>

Counterparty credit ratings for foreign currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2013, are listed below (in thousands).

**FRS Pension Trust Fund**  
**Foreign Currency Exchange Contract Counterparty Credit Ratings**  
**As of June 30, 2013**

Counterparty Credit Rating (Long Term) <sup>1</sup>			Receivable	Payable	Net Unrealized
S&P	Moody	Fitch	Fair Value	Fair Value	Gain (Loss)
AA:A-1	Aaa:P-1	AA:F1	\$ 330,398	\$ (326,971)	\$ 3,427
AA:A-1	Aa:P-1	AA:F1	9,575	(9,581)	(6)
AA:A-1	NR:P-1	AA:F1	3,563	(3,564)	(1)
A:A-1	Aa:P-1	AA:F1	65,220	(62,826)	2,394
A:A-1	Aa:P-1	A:F1	6,572	(6,567)	5
A:A-1	A:P-1	AA:F1	3,101	(3,113)	(12)
A:A-1	A:P-2	A:F1	4,722	(4,726)	(4)
A:A-1	NR:P-1	AA:F1	914	(912)	2
A:A-1	NR:P-1	A:F1	63,757	(64,078)	(321)
A:A-1	NR:P-1	NR:NR	18,883	(19,136)	(253)
A:A-1	NR:P-2	A:F1	7,908	(7,891)	17
NR:NR	NR:P-1	NR:NR	2,135	(2,141)	(6)
NR:NR	NR:P-2	NR:NR	207	(208)	(1)
NR:NR	NR:NR	A:F1	6,255	(6,229)	26
NR:NR	NR:NR	NR:NR	8,832	(8,823)	9
Total:			<u>\$ 532,042</u>	<u>\$ (526,766)</u>	<u>\$ 5,276</u>

<sup>1</sup> If no rating exists, "NR" is reported.

The schedule below discloses credit quality ratings on investments held in all funds managed by the SBA (except the FRS Pension Trust Fund) at June 30, 2013, (in thousands).

**All SBA Managed Funds (except FRS Pension Trust Fund)**  
**Credit Quality Ratings**  
**As of June 30, 2013**

Credit Rating <sup>1</sup>		Total <sup>2</sup>	Certificates of deposit	Commercial paper	Money market funds	Federal agencies	Domestic bonds and notes	Domestic bonds and notes commingled funds	International bonds and notes
S&P	Moody								
A-1/AAAm		\$ 8,096,516	\$ .....	\$ 6,481,460	\$ 1,615,056	\$ .....	\$ .....	\$ .....	\$ .....
AAA		326,077	.....	.....	.....	.....	267,062	.....	59,015
AA		3,192,775	411,341	.....	.....	2,179,211	449,529	72,098	80,596
A		725,539	6,618	.....	.....	2	612,688	.....	106,231
BBB		521,484	.....	.....	.....	.....	421,214	.....	100,270
BB		34,358	.....	.....	.....	.....	34,358	.....	.....
CCC		174	.....	.....	.....	.....	174	.....	.....
	Aaa	278,247	.....	.....	.....	151,759	116,549	.....	9,939
	Aa	519,485	389,413	.....	.....	.....	124,998	.....	5,074
	A	179	.....	.....	.....	.....	.....	.....	179
Not rated	Not rated	10,181,963	3,128,307	.....	1,162,230	2,906,295	546,135	2,438,996	.....
		<u>23,876,797</u>	<u>\$ 3,935,679</u>	<u>\$ 6,481,460</u>	<u>\$ 2,777,286</u>	<u>\$ 5,237,267</u>	<u>\$ 2,572,707</u>	<u>\$ 2,511,094</u>	<u>\$ 361,304</u>
Not rated	Not rated	3,240,448	Repurchase agreements						
Not rated	Not rated	8,963,425	U.S. guaranteed obligations						
Not rated	Not rated	94	Security lending collateral pool						
Not rated	Not rated	820,753	Domestic stocks						
Not rated	Not rated	3,086,070	Domestic equity commingled funds						
Not rated	Not rated	368,274	International stocks						
Not rated	Not rated	1,199,979	International equity commingled funds						
		<u>\$ 41,555,840</u>	Total investments						

<sup>1</sup>S&P ratings were primarily used. If S&P did not rate a security, then Moody ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated." Long-term ratings are presented except for "A-1", which is a top tier short-term rating for S&P, and "AAAm", the top money market fund rating for S&P.

<sup>2</sup>All investments are included in this schedule, including security lending collateral investments.

The Local Government Surplus Funds Trust Fund held investments with Deutsche Bank (11.82%), Bank of Montreal (5.57%), Royal Bank of Canada (5.47%), and Sumitomo Mitsui Banking Corp (5.29%) in excess of 5% of the Fund's fair value.

The Florida Hurricane Catastrophe Fund held investments with Bank of Nova Scotia (9.22%), Federal Home Loan Bank System (10.57%), Federal Farm Credit Banks (8.77%), and Federal Agricultural Mortgage Corp. (5.19%) in excess of 5% of the Florida Hurricane Catastrophe Fund's fair value.

The Florida Prepaid College Program held investments with the Federal National Mortgage Association (5.45%) in excess of 5% of the Florida Prepaid College Program's fair value.

## Component Units

Investment policies with regard to credit risk of debt securities vary from component unit to component unit. In addition, investment policies vary among Universities' direct support organizations. Investment policies may be obtained separately from component units. Presented below are reported credit quality ratings for debt securities of major component units (in thousands). Amounts shown below represent only that portion of debt investments required to be disclosed by component units reporting under the GASB reporting model.

Major Component Units Credit Quality Ratings As of June 30, 2013							
Component Unit	Commercial Paper	Federal agencies	Bonds & notes	Mutual funds	Money market funds	Total	S&P rating
Florida Housing Finance Corporation (FHFC) *	\$ .....	\$ 91,896	\$ .....	\$ .....	\$ .....	\$ 91,896	AA+
FHFC (continued)	.....	.....	34,552	.....	.....	34,552	AAA-BBB+
FHFC (continued)	.....	.....	15,450	.....	.....	15,450	AAA-AA+
FHFC (continued)	.....	.....	87,601	.....	.....	87,601	AAA-BB
FHFC (continued)	.....	.....	7,567	.....	.....	7,567	AAA-A-1
FHFC (continued)	.....	.....	7,286	.....	.....	7,286	AAA-D
University of Florida (UF)**	.....	.....	1,946	25,484	.....	27,430	AAA
UF (continued)	.....	.....	3,953	57,809	.....	61,762	AA
UF (continued)	.....	.....	6,977	8,399	.....	15,376	A
UF (continued)	.....	.....	1,994	75,271	33,946	111,211	Less than A
	<u>\$ .....</u>	<u>\$ 91,896</u>	<u>\$ 167,326</u>	<u>\$ 166,963</u>	<u>\$ 33,946</u>	<u>\$ 460,131</u>	

  

Component Unit	Certificates of deposit	Federal agencies	Bonds & notes	Mutual funds	Other	Total	Moody's
Citizens Property Insurance Corporation (CPIC)	\$ 113,185	\$ .....	\$ .....	\$ .....	\$ .....	\$ 113,185	A-1+
CPIC (continued)	.....	4,004,440	.....	.....	.....	4,004,440	AA+
CPIC (continued)	.....	.....	9,426,724	.....	.....	9,426,724	AAA
CPIC (continued)	.....	.....	.....	.....	183,939	183,939	Default
	<u>\$ 113,185</u>	<u>\$ 4,004,440</u>	<u>\$ 9,426,724</u>	<u>\$ .....</u>	<u>\$ 183,939</u>	<u>\$ 13,728,288</u>	

\* Florida Housing Finance Corporation (FHFC) reported total investments with a fair value in the amount of \$390 million subject to concentration of credit risk. These investments and amounts were issued by FannieMae (\$390 million).

\*\*University of Florida (UF) reported total investments with a fair value in the amount of \$44 million subject to concentration of credit risk.

These investments and amounts were issued by Florida Hedged Strategies Fund, LLC (\$10 million), US Bank Commercial Paper (\$20 million) and various other issuers (\$14 million).

## 2. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the state will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

### Pooled Investments with the State Treasury

The State Treasury does not have an overall policy addressing custodial credit risk. However, as required by negotiated trust and custody contracts, many of the state's investments were held in the state's name by the Treasury's custodial financial institutions at June 30, 2013. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, included the following (in thousands):

State Treasury Custodial Credit Risk As of June 30, 2013	
	Fair value
Invested security lending collateral:	
Repurchase agreements	\$ 1,229,858
Federal agencies	75,970
Domestic bonds & notes	314,259
International bonds & notes	114,443
Total	<u>\$ 1,734,530</u>

**Other Investments**

The SBA's custodial credit risk policy states that custodial credit risk will be minimized through the use of trust accounts maintained at top tier third party custodian banks. To the extent possible, negotiated trust and custody contracts shall require that all deposits, investments, and collateral be held in accounts in the SBA's name, or in the case of certain foreign investments, in an omnibus client account, but separate and apart from the assets of the custodian banks. This policy applies to investments evidenced by cash or securities, and does not apply to investments evidenced by contractual agreements such as private equity or real estate investments. As required by negotiated trust and custody contracts, many of the state's investments were held in the state's name (or, in the case of certain foreign investments, in an omnibus client account) by the SBA's custodial financial institutions at June 30, 2013. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, included the following (in thousands):

**Other Investments  
Custodial Credit Risk  
As of June 30, 2013**

	FRS Pension Trust Fund	Other funds
Invested security lending collateral:		
Certificates of deposit	\$ .....	\$ 423,721
Commercial paper	.....	339,183
Repurchase agreements	1,471,237	639,666
Domestic bonds and notes	154,049	146,482
International bonds and notes	20,686	73,445
Total	<u>\$ 1,645,972</u>	<u>\$ 1,622,497</u>

**Component Units**

Component units manage their exposure to custodial credit risk through various investment policies. These policies may be obtained separately from component units. Presented below is the applicable custodial credit risk information for a major component unit (in thousands):

**Major Component Unit  
Custodial Credit Risk  
As of June 30, 2013**

Component unit / Investment type	Fair value
University of Florida	
Mutal and/or Commingled Funds	\$ 51,626
Bonds & notes	14,870
Mutual funds	2,489
Total	<u>\$ 68,985</u>

**3. Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of debt investments.

**Pooled Investments with the State Treasury**

Through its investment policy, the State Treasury manages its exposure to interest rate risk by limiting either the maturities or durations of the various investment strategies used for the investment pool. The maximum effective weighted duration allowed, per externally managed portfolio with various investments, is six years. In addition, the security lending portfolios manage exposure to interest rate risk by limiting the weighted average maturity. The maximum weighted average maturity for the security lending portfolio is 120 days.

Presented below is the interest rate risk table for the debt investments with the State Treasury (in thousands). Investment types related to debt portfolios are presented using effective weighted duration. Investment types related to security lending collateral portfolios are presented using weighted average maturity.

**Debt Investments**  
**As of June 30, 2013**

Investment type	Fair value	Effective weighted duration (in years)	Security Lending Market Value	Weighted average maturity (in days)
Certificates of Deposit	\$ .....	N/A	\$ .....	N/A
Commercial paper	389,984	0.04	.....	N/A
Repurchase Agreements	523,288	N/A	1,229,858	1.00
U.S. guaranteed obligations:				
U.S. Treasury bonds and notes	4,288,239	3.88	.....	N/A
U.S. Treasury strips	25,777	10.13	.....	N/A
U.S. Treasury bills	1,301,053	0.37	.....	N/A
GNMA mortgage-backed pass-through	206,370	3.77	.....	N/A
GNMA TBA pass-thru	39,322	5.45	.....	N/A
GNMA collateralized mortgage obligations (CMO's)	16,719	3.17	.....	N/A
GNMA CMO's - interest only	5,681	0.01	.....	N/A
SBA Asset Backed	14,283	2.09	.....	N/A
NCUA CMO's	9,888	0.67	.....	N/A
Federal agencies				
Discount notes	3,076,547	0.29	75,970	10.79
Unsecured bonds & notes	3,544,175	1.22	.....	N/A
Mortgage-backed pass-through	1,294,996	3.97	.....	N/A
TBA Mortgage-backed pass-thru	481,700	4.98	.....	N/A
Mortgage-backed CMO's	313,713	3.51	.....	N/A
Mortgage-backed CMO's - principal only	285	3.92	.....	N/A
Mortgage-backed CMO's - interest only	17,570	2.13	.....	N/A
Domestic bonds & notes:				
Corporate	2,371,174	5.71	314,259	43.77
Corporate asset-backed	331,880	1.14	.....	N/A
Non-government backed CMO's & CMBS*	594,608	3.42	.....	N/A
Non-government backed CMO's & CMBS* - interest only	11,908	1.71	.....	N/A
Municipal/provincial	109,727	8.04	.....	N/A
International bonds & notes:				
Government & Agency	70,729	4.32	114,443	33.68
Corporate	445,491	5.04	.....	N/A
Commingled STIF	634,981	.....	.....	N/A
Total portfolio effective duration and weighted average maturity		2.64		11.33
Total debt investments	<u>\$ 20,120,088</u>		<u>\$ 1,734,530</u>	

\* Commercial Mortgage-Backed Securities (CMBS)

\*\* The remaining (\$667,942) (in thousands) reported for Pooled Investments with State Treasury is comprised primarily of investment with the U.S. Treasury Unemployment Compensation Funds Pool, and outstanding warrants as presented in the Schedule of Pooled Investments with the State Treasury.

Presented below is effective weighted duration for derivative investments in the State Treasury at June 30, 2013.

Derivative Investments As of June 30, 2013		
Investment type	Fair value	Effective weighted duration (in years)
Futures	\$ .....	14.57
Total derivative investments	\$ .....	

### Other Investments

The SBA manages its exposure to interest rate risk through various investment policies. Policies and interest rate risk disclosures for debt investments within the FRS Pension Trust Fund are presented below.

Investments authorized by Section 215.47, F.S., are managed through individual portfolios within various asset classes. The individual portfolios may have different policies regarding interest rate risk. Major types of debt portfolios are listed below.

*Short-term portfolio* – Weighted average maturity to final maturity date (WAL) is limited to 120 days in the internally managed FRS Short-term Investment Pool (STIPFRS) portfolio and weighted average time to coupon reset (WAM) is limited to 60 days. For securities without a fixed interest rate, the next coupon reset date is used as the maturity for the reset WAM calculation. In STIPFRS, no individual security shall have a final maturity date longer than one year except for U.S. Treasury and Agency securities, which shall not exceed five years.

*Mortgage Index portfolio* – Portfolio duration should be similar to the duration of the mortgage-related fixed income market and should remain within plus or minus 0.25 years of index duration. The index is the Barclays Capital U.S. MBS Index component of the Barclays Capital U.S. Aggregate Bond Index. Swaps and/or Agency debentures may contribute no more than 25% to duration.

*Aggregate Less MBS Index portfolio* – Portfolio duration should remain within plus or minus 0.25 years of the Barclays Capital U.S. Aggregate Bond Index less the MBS index component.

*Core portfolios* – Portfolio duration should remain within plus or minus 0.50–1.25 years of the Barclays Capital U.S. Aggregate Bond Index duration.

*Security Lending portfolios* – The investment policy guidelines in effect for the FRS Pension Trust Fund for the fiscal year ended June 30, 2013, allow investment only in overnight repurchase agreements that are fully collateralized by U.S. government and/or agency securities. Investments that were purchased under the previous investment policy guidelines are still held in the lending programs, but are slowly paying down. Previous guidelines included a maximum WAM for a portfolio of 60 to 90 days, depending on the lending program. For investments that had floating interest rates, interest rate reset dates were used to calculate the WAM. For the LCEF or Florida Lottery lending programs, investment policy guidelines require a maximum WAM for a portfolio of 90 days (for separately managed investments), or that cash collateral be invested in one or more collective investment vehicles maintained and utilized by the lending agent for the investment of securities lending cash collateral. For the Florida Prepaid lending program, investment policy guidelines state that the maximum rate sensitivity is 60 days, for non-term loans. For cash collateral invested in connection with term loans, which are loans collateralized by cash where the agreed date of maturity of the loan or the date of renegotiation of the rebate rate for the loan is greater than one business day, the investment policy guidelines allow the rate of sensitivity to exceed 60 days. The “rate sensitivity” of a security or instrument shall mean (a), in the case of a fixed rate security or instrument (i) the date on which final payment is due or (ii) the principal amount can be recovered through demand (if applicable) or (b) in the case of a floating or variable rate security or instrument, the shorter of the period of time remaining until either (i) the next readjustment of the interest rate or (ii) the principal amount can be recovered through demand (if applicable).

Presented in the following schedule is the interest rate risk table for the FRS Pension Trust Fund (in thousands). Investment types related to debt portfolios are presented using effective weighted duration. Investment types related to short-term and the security lending collateral portfolios are presented using weighted average maturity.

**FRS Pension Trust Fund**  
**Debt Investments**  
**As of June 30, 2013**

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ .....	N/A	\$ 2,051,388	65
Commercial paper	.....	N/A	4,755,488	47
Money market funds	.....	N/A	302,990	1
Repurchase agreements	.....	N/A	3,793,723	3
U.S. guaranteed obligations:				
U.S. Treasury bills	3,110	0.22	.....	N/A
U.S. Treasury bonds and notes	7,591,004	5.39	.....	N/A
U.S. Treasury strips	15,067	31.10	.....	N/A
Index linked government bonds	419,169	7.50	.....	N/A
U.S. government guaranteed	40,707	6.34	.....	N/A
U.S. Treasury note forwards	141	-2.02	.....	N/A
GNMA mortgage backed	842,406	4.03	.....	N/A
GNMA commitments to purchase (TBAs)	986,363	4.30	.....	N/A
GNMA CMO's and CMBS	29,910	1.64	.....	N/A
GNMA interest-only CMO's	3,581	-16.46	.....	N/A
GNMA interest-only inverse floating CMO's	5,904	7.90	.....	N/A
Federal agencies:				
Discount notes	38,550	0.02	.....	N/A
Unsecured bonds and notes	1,136,539	4.38	.....	N/A
Agency strips	14,170	3.96	.....	N/A
Mortgage backed (FNMA, FHLMC)	3,367,097	3.79	.....	N/A
FNMA, FHLMC commitments to purchase (TBAs)	2,911,451	4.38	.....	N/A
Mortgage-backed CMO's and CMBS	295,177	3.38	.....	N/A
Interest-only CMO's	6,482	-7.12	.....	N/A
Interest-only inverse floating CMO's	18,073	9.29	.....	N/A
Inverse floating CMO's	1,419	6.38	.....	N/A
Principal-only CMO's	3,935	5.73	.....	N/A
Domestic bonds and notes:				
Corporate	5,590,470	6.45	.....	N/A
Non-government asset and mortgage backed	597,357	2.86	85,496	28
Non-government backed CMO's and CMBS	1,265,479	2.55	46,237	19
Municipal/provincial	257,093	10.62	.....	N/A
Real estate mortgage loans	7,779	6.31	.....	N/A
International bonds and notes:				
Government and regional	667,563	5.25	.....	N/A
Government agency	245,223	3.55	.....	N/A
Corporate	1,487,181	5.61	.....	N/A
Non-government asset and mortgage backed	27,521	0.18	.....	N/A
Non-government backed CMO's and CMBS	24,011	-0.14	46,080	31
Futures contracts - long <sup>1</sup>	.....	3.78	.....	N/A
Futures contracts - short <sup>1</sup>	.....	6.44	.....	N/A
Options purchased <sup>2</sup>	1,034	235.51	.....	N/A
Swap contracts <sup>1</sup>	(1,638)	0.05	.....	N/A
Total debt investments	\$ 27,899,328		\$ 11,081,402	

<sup>1</sup> The futures and swap contracts effective weighted duration was calculated using notional values rather than fair values. For foreign futures, local notional value was converted to a U.S. \$ value based on foreign exchange rates at June 30, 2013.

<sup>2</sup> Options effective weighted duration measures the rate of change of price with respect to yield.

Interest rate risk information for debt investments sold short is presented below (in thousands).

**FRS Pension Trust Fund**  
**Sold Short Debt Investment Positions**  
**As of June 30, 2013**

Investment type	Fair value (duration)	Effective weighted duration (in years)
GNMA commitments to sell (TBAs)	\$ (1,833)	2.76
FNMA, FHLMC commitments to sell (TBAs)	(365,238)	4.31
Options sold <sup>1</sup>	(1,468)	125.27
Total debt investments sold short <sup>2</sup>	<u>\$ (368,539)</u>	

<sup>1</sup> Options effective weighted duration measures the rate of change of price with respect to yield.

<sup>2</sup> Investments sold short are reported as liabilities on the Statement of Fiduciary Net Position.

Presented below are interest rate risk schedules for all debt-related investments managed by the SBA (excluding the FRS Pension Trust Fund), as of June 30, 2013 (in thousands). Certain investment types may be presented using two or more interest rate risk methods, if the investment types are managed using different techniques. For example, if investments are purchased to match scheduled debt payments, to coincide with Lottery prize payouts, or are entirely client directed investments, the investments are presented using the segmented time distribution method. If investments are in a portfolio that contains weighted average maturity restrictions, the investments are presented using this method. If investments are subject to certain restrictions on duration, then that method is used. Individual investments are only included in one of the following three methods scheduled below.

**Debt Investments Managed by SBA (except FRS Pension Trust Fund)**  
**That Use Segmented Time Distribution Method**  
**As of June 30, 2013**

Investment type	Total fair value	Investment maturities (in years)						
		Less than or equal to 1	> 1 to 3	> 3 to 5	> 5 to 10	>10 to 15	> 15 to 20	> 20
U.S. guaranteed obligations:								
U.S. Treasury bills	\$ 365,476	\$ 365,476	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
U.S. Treasury bonds, notes, and SLGS*	548,185	233,006	314,295	314	570	.....	.....	.....
U.S. Treasury strips	536,481	121,903	152,229	65,510	79,059	69,170	37,240	11,370
Federal agencies:								
Unsecured bonds and notes	39,406	19,008	20,398	.....	.....	.....	.....	.....
Agency strips	12,626	12,626	.....	.....	.....	.....	.....	.....
Total debt investments	<u>\$ 1,502,174</u>	<u>\$ 752,019</u>	<u>\$ 486,922</u>	<u>\$ 65,824</u>	<u>\$ 79,629</u>	<u>\$ 69,170</u>	<u>\$ 37,240</u>	<u>\$ 11,370</u>

\* Special U.S. Treasury securities for State and Local Governments.

**Debt Investments Managed by SBA (except FRS Pension Trust Fund)**  
**That Use Weighted Average Maturity Method or Duration Method**  
**As of June 30, 2013**

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ 7,016	1.13	\$ 3,928,663	49
Commercial paper	.....	N/A	6,481,460	45
Money market funds	1,161,954	0.12	1,615,332	1
Repurchase agreements	.....	N/A	3,240,448	1
U.S. guaranteed obligations:				
U.S. Treasury bills	224,841	0.56	216,000	5
U.S. Treasury bonds and notes	112,899	6.23	1,179,928	102
U.S. Treasury strips	5,354,236	9.91	.....	N/A
Index linked government bonds	202,049	6.99	.....	N/A
U.S. government guaranteed	67,797	6.70	.....	N/A
GNMA mortgage backed	92,798	5.08	.....	N/A
GNMA commitments to purchase (TBAs)	33,828	5.01	.....	N/A
GNMA CMO's	28,907	3.24	.....	N/A
Federal agencies:				
Discount notes	.....	N/A	1,177,857	62
Unsecured bonds and notes	183,706	7.48	2,334,023	255
Agency strips	642,322	8.94	.....	N/A
Mortgage backed (FNMA, FHLMC)	514,253	4.83	.....	N/A
FNMA, FHLMC commitments to purchase (TBAs)	322,943	5.33	.....	N/A
Mortgage backed CMO's	10,131	0.92	.....	N/A
Domestic bonds and notes:				
Corporate	1,038,571	7.29	869,237	85
Non-government asset and mortgage backed	203,518	3.70	51,488	16
Non-government backed CMO's and CMBS	305,646	2.84	.....	N/A
Municipal/provincial	4,797	8.70	99,450	8
Domestic bonds and notes commingled funds	2,511,094	5.37	.....	N/A
Security lending collateral pool	.....	N/A	94	1,199
International bonds and notes:				
Government and regional	468	3.93	.....	N/A
Government agency	29	3.60	49,937	331
Corporate	237,425	5.50	42,828	47
Non-government asset and mortgage backed	.....	N/A	17,044	15
Non-government backed CMO's and CMBS	.....	NA	13,573	23
Total debt investments	<u>\$ 13,261,228</u>		<u>\$ 21,317,362</u>	

### Component Units

Component units manage their exposure to interest rate risk through various investment policies. These policies may be obtained separately from component units. Presented below is the applicable interest rate risk information for major component units (in thousands). Amounts shown below represent only that portion of debt investments required to be disclosed by component units reporting under the GASB reporting model.

**Major Component Units  
Debt Investments  
That Use Segmented Time Distribution Method  
As of June 30, 2013**

Component unit / Investment type	Total fair value	Investment maturities (in years)			
		Less than or equal to 1	> 1 to 5	> 5 to 10	> 10
University of Florida					
U.S. guaranteed obligations	\$ 2,757	\$ .....	\$ .....	\$ 2,757	\$ .....
Federal Agencies	.....	.....	.....	.....	.....
Bonds & notes	14,870	.....	13,523	1,347	.....
Mutual funds	166,961	6,549	104,996	55,416	.....
Total debt investments	\$ 184,588	\$ 6,549	\$ 118,519	\$ 59,520	\$ .....

**Major Component Units  
Debt Investments  
That Use Duration or Weighted Average Maturity Method  
As of June 30, 2013**

Component unit / Investment type	Fair value (duration)	Modified duration (in years)	Fair value (WAM)	Weighted Average maturity (in years)
Florida Housing Finance Corporation				
U.S. guaranteed obligations	\$ 51,331	2.14	\$ .....	N/A
Federal agencies	40,565	1.00	.....	N/A
Bonds & notes	152,456	0.91	.....	N/A
Citizens Property Insurance Corporation				
U.S. guaranteed obligations	.....	N/A	1,169,071	2.09
Federal agencies	.....	N/A	2,835,369	2.31
Bonds & notes	.....	N/A	9,723,847	3.76
Total debt investments	\$ 244,352		\$ 13,728,287	

### 4. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

#### *Pooled Investments with the State Treasury*

The State Treasury does not have any investments in foreign currency. State law and investment policy do not authorize investments in foreign currency related to State Treasury investment operations.

#### *Other Investments*

The FRS Pension Trust Fund, the Lawton Chiles Endowment Fund, and the Florida Prepaid College Program had exposure to foreign currency risk at June 30, 2013. These funds are managed primarily by the use of "asset classes".

The FRS Pension Trust Fund investment policy, approved on February 9, 2012, by the Trustees, limits the global equity asset class (including domestic and foreign equities) to a policy range of 44-60% and a target allocation of 52%. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. For the Lawton Chiles Endowment Fund, Trustees approved an investment policy on February 9, 2012, that set the global equity asset class with a policy range of 61-81% and a target allocation of 71%. During the fiscal year ended June 30, 2013, the LCEF policy range for global equities was largely inapplicable since the SBA was holding approximately \$250 million in cash in anticipation of a large LCEF withdrawal that was sent to the State's general revenue fund in June 2013. Other asset classes in the LCEF may hold non-U.S. securities as well, depending on portfolio guidelines. Florida Prepaid's comprehensive investment plan limits investment in foreign equities to 25% of total equities, with the target for total equities to be the lesser of 15% of the total fund, or the actuarial reserve. In all cases, Florida law limits the total exposure to foreign securities to 35% of the total fund. There is no requirement that this exposure to foreign currency be hedged through forward currency contracts, although the managers use them in many cases.

Presented below in U.S. dollars are the FRS Pension Trust Fund, Lawton Chiles Endowment Fund, and Florida Prepaid College Fund investments exposed to foreign currency risk as of June 30, 2013, listed in total, by currency (in thousands).

**FRS Pension Trust Fund, Lawton Chiles Endowment Fund (LCEF), and Florida Prepaid College Program  
Investments Exposed to Foreign Currency Risk (fair values in U.S.\$, in thousands)  
As of June 30, 2013**

Currency	FRS Pension Trust Fund Investment Type			LCEF	Florida Prepaid
	Investment type			Investment type	and Savings Plan
	Equity	Alternative Investments <sup>1</sup>	Fixed Income	Equity	Equity
Australian dollar	\$ 1,505,305	\$ .....	\$ .....	\$ 9,140	\$ 14,547
Brazilian real	446,253	.....	.....	5,862	.....
British pound sterling	5,507,450	.....	.....	18,337	32,992
Canadian dollar	1,659,702	.....	.....	9,606	.....
Chilean peso	25,749	.....	.....	.....	.....
Danish krone	289,283	.....	.....	1,433	3,011
Egyptian pound	10,472	.....	.....	.....	.....
Euro currency unit <sup>3</sup>	7,126,837	500,721	.....	40,013	45,952
Hong Kong dollar	1,954,811	.....	.....	8,653	5,305
Hungarian forint	17,440	.....	.....	615	.....
Indian rupee	421,685	.....	.....	.....	.....
Indonesian rupiah	207,021	.....	.....	1,652	.....
Israeli shekel	76,184	.....	.....	65	385
Japanese yen	5,046,753	.....	.....	27,152	38,483
Kenyan shilling	24,610	.....	.....	.....	.....
Malaysian ringgit	148,513	.....	1	2,800	.....
Mexican peso	205,933	.....	.....	2,516	.....
New Zealand dollar	30,345	.....	.....	241	446
Nigerian naira	75,970	.....	.....	.....	.....
Norwegian krone	228,693	.....	.....	3,110	3,518
Omani rial	13,045	.....	176	.....	.....
Philippines peso	73,334	.....	.....	643	.....
Polish zloty	56,149	.....	.....	1,681	.....
Qatari riyal	40,890	.....	.....	.....	.....
Singapore dollar	532,959	.....	.....	564	3,171
South African rand	395,537	.....	.....	7,080	.....
South Korean won	752,282	.....	.....	7,905	.....
Swedish krona	663,728	.....	.....	3,564	3,556
Swiss franc	2,376,995	.....	.....	8,974	13,441
Taiwan new dollar	474,527	.....	.....	4,544	.....
Thailand baht	306,461	.....	.....	1,948	.....
Turkish lira	267,084	.....	.....	1,198	.....
Other	111,125	.....	.....	24	.....
Equity linked notes (various currencies) <sup>1</sup>	15,831	.....	.....	.....	.....
International equity commingled funds <sup>1</sup>	6,291,530	.....	.....	.....	.....
Alternative investments <sup>2</sup>	.....	12,891,904	.....	.....	.....
Total investments subject to foreign currency risk	\$ 37,380,486	\$ 13,392,625	\$ 177	\$ 169,320	\$ 164,807

<sup>1</sup> International equity commingled funds are commingled investments where the FRS Pension Trust Fund owns units in commingled funds with other investors and, therefore, only a portion of the overall investment in the funds. Equity linked notes are participatory notes that allow the holder to participate in certain foreign equity markets where direct participation is not possible due to local government regulations, tax policies, or other reasons. The overall investments or notes themselves may be valued in U.S. dollars, but the underlying assets are exposed to foreign currency risk in various currencies.

<sup>2</sup> Alternative investments are commingled investments (primarily limited partnerships) where the FRS Pension Trust Fund owns an interest in commingled funds with other investors and, therefore, only a portion of the overall investment in the funds. The overall investment in the funds is denominated in U.S. dollars, but the underlying investments owned by the commingled funds may be exposed to foreign currency risk in various currencies. If the alternative investment manager provided financial statements in Euro currency units, it was reported above as having foreign currency risk in Euro currency units.

<sup>3</sup> FRS Pension Trust Fund's equity exposure to Euro currency units includes one stock call option with a fair value at June 30, 2013, of \$621,588 (or €807,972 in Euro currency units).

In addition to the investments presented above, the FRS Pension Trust Fund holds positions in futures contracts that are subject to foreign currency risk. A futures contract is an agreement between two parties, a buyer and a seller, to exchange a particular good for a particular price at a particular date in the future, all of which are specified in a contract common to all participants in a market on an organized futures exchange. Upon entering into a futures contract, collateral is deposited with the broker, in the SBA's name, in accordance with the initial margin requirements of the broker. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. The resulting gain/loss is received/paid the following day until the contract expires. The frequency of cash flows depends upon specified collateral and margin limits mutually agreed upon by the SBA and the third-party broker. The margin payments are exposed to foreign currency risk. The FRS Pension Trust Fund's futures contract positions at June 30, 2013, that have exposure to foreign currency risk are presented below (values in thousands).

**FRS Pension Trust Fund**  
**Futures Positions Exposed to Foreign Currency Risk**  
**As of June 30, 2013**

		Number of Contracts <sup>1</sup>	In Local Currency			Unrealized Gain/(Loss) (in U.S. \$)
Currency			Notional Traded Exposure	Notional Market Exposure	Unrealized Gain/(Loss) <sup>2</sup>	
Stock Index Futures:						
GBP FTSE 100 Index	British pound sterling	368	23,108	22,674	(434)	\$ (658)
Canada S&P/TSE 60 Index	Canadian dollar	131	18,270	18,152	(118)	\$ (112)
DJ Euro STOXX 50	Euro currency unit	1,107	29,764	28,760	(1,004)	\$ (1,305)
TOPIX Index Future	Japanese yen	348	3,801,594	3,935,880	134,286	\$ 1,352

<sup>1</sup> Long positions are positive and short positions are negative.

<sup>2</sup> Margin receipts or payments are settled periodically in the respective local currency and are subject to foreign currency risk.

The FRS Pension Trust Fund also enters into foreign currency exchange contracts. Foreign currency exchange contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. Currently, there are two types of foreign currency contracts being utilized by the FRS Pension Trust Fund. Spot currency contracts are used primarily for trade settlement and currency repatriation and are valued at spot (traded) currency rates. Forward currency contracts are valued at interpolated forward rates and are generally used to mitigate currency risk for changes in value associated with foreign holdings, payables and/or receivables. These contracts are recorded as receivables and payables on the Statement of Fiduciary Net Position. All of the contracts are subject to foreign currency risk. A schedule of the FRS Pension Trust Fund's foreign currency exchange contracts outstanding at June 30, 2013, is presented below, by currency (in thousands).

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## FRS Pension Trust Fund Forward Foreign Currency Exchange Contracts As of June 30, 2013

Currency to Buy	Amount to Buy (Local Currency)	Currency to Sell	Amount to Sell (Local Currency)	Receivable Fair Value (in U.S. \$)	Payable Fair Value (In U.S. \$)	Net Unrealized
						Gain/(Loss) (In U.S. \$)
Australian dollar	7,699	U.S. dollar	(7,414)	\$ 7,037	\$ (7,414)	\$ (377)
Brazilian real	7,114	U.S. dollar	(3,248)	3,184	(3,248)	(64)
British pound sterling	86	Euro currency unit	(102)	131	(132)	(1)
British pound sterling	22,724	U.S. dollar	(35,195)	34,456	(35,195)	(739)
Canadian dollar	12,365	U.S. dollar	(1,171)	11,715	(11,771)	(56)
Chilean peso	104,646	U.S. dollar	(208)	207	(208)	(1)
Danish krone	11,478	U.S. dollar	(2,030)	2,002	(2,030)	(28)
Euro currency unit	5,455	U.S. dollar	(7,104)	7,091	(7,104)	(13)
Hong Kong dollar	224,433	Japanese yen	(2,837,961)	28,944	(28,580)	364
Hong Kong dollar	358,434	U.S. dollar	(46,191)	46,224	(46,192)	32
Indian rupee	171,089	U.S. dollar	(1,930)	2,843	(1,930)	913
Indonesian rupiah	18,047,861	U.S. dollar	(1,808)	1,819	(1,808)	11
Japanese yen	12,951	Australian dollar	(142)	130	(130)	-
Japanese yen	6,251,227	U.S. dollar	(63,419)	62,947	(63,419)	(472)
Malaysian ringgit	13,839	U.S. dollar	(4,374)	4,379	(4,374)	5
Mexican peso	1,525	U.S. dollar	(117)	117	(117)	-
New Zealand dollar	432	U.S. dollar	(339)	332	(339)	(7)
Nigerian naira	126,651	U.S. dollar	(783)	779	(783)	(4)
Qatari riyal	5,147	U.S. dollar	(1,414)	1,414	(1,414)	-
S. African rand	26,988	U.S. dollar	(2,667)	2,708	(2,667)	41
Singapore dollar	14,915	U.S. dollar	(11,846)	11,762	(11,846)	(84)
South Korean won	962,920	U.S. dollar	(849)	844	(849)	(5)
Swedish Krona	8,817	U.S. dollar	(1,335)	1,304	(1,335)	(31)
Swiss franc	3,036	U.S. dollar	(3,215)	3,209	(3,215)	(6)
Turkish lira	1,868	U.S. dollar	(971)	968	(971)	(3)
U.S. dollar	59,779	Australian dollar	(62,386)	59,778	(56,848)	2,930
U.S. dollar	995	Brazilian real	(2,197)	995	(995)	-
U.S. dollar	16,692	British pound sterling	(10,955)	16,692	(16,611)	81
U.S. dollar	42,219	Canadian dollar	(43,368)	42,220	(41,036)	1,184
U.S. dollar	2	Chilean peso	(1,086)	2	(2)	-
U.S. dollar	193	Colombian peso	(371,541)	193	(192)	1
U.S. dollar	84,932	Euro currency unit	(64,550)	84,932	(83,923)	1,009
U.S. dollar	15	Ghanaian cedi	(30)	15	(15)	-
U.S. dollar	4,885	Hong Kong dollar	(37,891)	4,884	(4,885)	(1)
U.S. dollar	157	Indian rupee	(93,025)	1,567	(1,565)	2
U.S. dollar	10	Israeli shekel	(38)	10	(10)	-
U.S. dollar	56,593	Japanese yen	(5,627,705)	56,593	(56,669)	(76)
U.S. dollar	1	Kenyan shilling	(31)	1	(1)	-
U.S. dollar	4,957	New Zealand dollar	(5,867)	4,957	(4,522)	435
U.S. dollar	3,714	Norwegian krone	(21,925)	3,714	(3,586)	128
U.S. dollar	480	Pakistan rupee	(47,866)	480	(481)	(1)
U.S. dollar	21	Peruvian nuevo sol	(59)	21	(21)	-
U.S. dollar	274	Philippines peso	(11,871)	274	(275)	(1)
U.S. dollar	324	Polish zloty	(1,089)	324	(324)	-
U.S. dollar	347	S. African rand	(3,456)	347	(348)	(1)
U.S. dollar	1,138	Singapore dollar	(1,447)	1,138	(1,141)	(3)
U.S. dollar	3,805	South Korean won	(4,313,523)	3,805	(3,750)	55
U.S. dollar	210	Sri Lanka rupee	(27,459)	210	(211)	(1)
U.S. dollar	39	Swedish krona	(265)	39	(39)	-
U.S. dollar	9,577	Swiss franc	(8,993)	9,577	(9,509)	68
U.S. dollar	1,630	Thailand baht	(50,849)	1,630	(1,639)	(9)
U.S. dollar	506	Turkish lira	(975)	506	(505)	1
U.S. dollar	592	UAE dirham	(2,173)	592	(592)	-
Total				\$ 532,042	\$ (526,766)	\$ 5,276

### Component Units

Component unit information regarding foreign currency risk was not readily available.

## 5. Security Lending

### *Pooled Investments with the State Treasury*

Section 17.61(1), F.S. authorizes the State Treasury to participate in a security lending program. Agents of the State Treasury loan securities, including U.S. government and federally guaranteed obligations, bonds, and notes to broker/dealers for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Collateral for loaned securities cannot be less than 100 percent of the fair value of the underlying security plus accrued interest. Such collateral may consist of cash, government securities, unconditional and irrevocable standby letters of credit, or other assets specifically agreed to in writing. Cash collateral is invested by the agent in investments authorized by Section 17.57, F.S. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned because security loan agreements are generally open-ended with no fixed expiration date. Since the collateral under security lending agreements (including accrued interest) exceeded the fair value of the securities underlying those agreements (including accrued interest), the Treasury had no credit risk exposure at June 30, 2013. If a situation occurs where an agent does not receive collateral sufficient to offset the fair value of any securities lent, or the borrowers fail to return the securities or fail to pay the State Treasury for income distributions by the securities' issuers while the securities are on loan, the agent is required to indemnify the State Treasury for any losses that might occur. The State Treasury received \$1,734,487,509 cash collateral for securities loaned to others. Since the State Treasury does not have the ability to pledge or sell non-cash collateral securities, any non-cash portion of the collateral is not reported on the balance sheet. Securities held with others under security lending agreements with cash collateral totaled \$1,692,813,770. There were no securities held with others under security lending agreements with non-cash collateral. Security lending asset and liability balances are allocated at fiscal year end and reported among all participating funds of the primary government. The securities held with others under security lending agreements as of June 30, 2013, are as follows (fair value equals carrying value of investment on loan): Domestic bonds and notes of \$304,422,844, Federal agencies of \$167,150,049, International bonds and notes of \$37,307,478 and U.S. guaranteed obligations of \$1,183,933,400.

### *Other Investments*

Through the SBA, various funds, including the FRS Pension Trust Fund, the Florida Lottery Trust Fund, the Lawton Chiles Endowment Fund, and the Florida Prepaid College Program participate in security lending programs. Initial collateral requirements for securities on loan range from 100% to 105%, depending on the lending agent, the type of security lent and the type of collateral received. The SBA had received and invested \$5,024,716,275 in cash and \$1,755,929,281 in U.S. government securities as collateral for the lending programs as of June 30, 2013. At June 30, 2013, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest), except for loans with one broker in the Lawton Chiles Endowment Fund totaling \$964. However, all security lending programs have indemnity clauses requiring the lending agent to assume borrower's risk from default. The SBA does not have the ability to pledge or sell the non-cash collateral securities, so the non-cash portion is not reported on the balance sheet or the Statement of (Fiduciary) Net Position. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned, because security loan agreements are generally open-ended with no fixed expiration date. As such, investments made with cash collateral are primarily in short-term investments. However, investments purchased for some security lending programs included investments with final maturities of six months or more representing a range of approximately 1% to 52% of total collateral invested. There are no restrictions on the amount of securities that can be loaned at one time to one borrower for most funds.

At June 30, 2013, the collateral re-investment portfolio for the FRS Pension Trust Fund was primarily reinvested in overnight repurchase agreements (repos) in order to maximize earnings and reduce risk. The portfolio contains some legacy non-repo securities that will remain until they are either sold or mature. All new lending in the FRS Pension Trust Fund is done using one-day repos of U.S. Government guaranteed securities as re-investment. At June 30, 2013, there were two lending agents, including the master custodian and one third-party agent.

The schedule below discloses the fair value and carrying value of investments on loan at June 30, 2013 (in thousands):

**Schedule of Other Investments on Loan Under Security Lending Agreements  
As of June 30, 2013**

Securities on Loan for Cash Collateral, by Security type	Fair value of Securities on Loan <sup>1</sup>		
	FRS Pension Trust Fund	Other funds Managed by SBA	Total
U.S. guaranteed obligations	\$ 588,363	\$ 1,326,627	\$ 1,914,990
Federal agencies	247,765	30,138	277,903
Domestic bonds and notes	105,054	153,092	258,146
International bonds and notes	114,212	47,920	162,132
Domestic stocks	790,286	96,466	886,752
International stocks	1,312,437	18,635	1,331,072
Total securities on loan for cash collateral	\$ 3,158,117	\$ 1,672,878	\$ 4,830,995
Securities on Loan for Non-Cash Collateral, by Security type			
U.S. guaranteed obligations	\$ .....	\$ 177,567	\$ 177,567
Domestic stocks	1,094,646	294	1,094,940
International stocks	442,844	692	443,536
Total securities on loan for non-cash collateral	1,537,490	\$ 178,553	1,716,043
Total securities on loan	\$ 4,695,607	\$ 1,851,431	\$ 6,547,038

<sup>1</sup>The fair value equals the carrying value of investments on loan. Fair value includes accrued interest on debt securities.

## 6. Derivatives

A derivative instrument is defined as a financial instrument or other contract that has all of the following characteristics:

- Settlement factors. It has (1) one or more reference rates and (2) one or more notional amounts or payment provisions or both. These terms determine the amount of the settlement or settlements and, in some cases, whether or not a settlement is required.
- Leverage. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- Net Settlement. Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Derivative instruments consisted of futures, options, forward currency contracts, and swaps.

### *Pooled Investments with the State Treasury*

Pursuant to the State Treasury's established investment policy guidelines, interest rate futures are used as part of the investment strategy related to interest rate risk, duration adjustments, and yield curve strategies. Although put and call options on any security are permitted under the State Treasury's investment guidelines, interest rate futures were the only type of derivative held as of June 30, 2013. The State Treasury did not utilize derivatives for hedging activities during the fiscal year ending June 30, 2013. All of the State Treasury investment derivatives were reported at fair value in the accompanying financial statements as of June 30, 2013.

A summary of investment derivatives traded in the State Treasury is presented below (in thousands).

	Changes in Fair Value		Fair Value at June 30, 2013		Notional (in U.S. \$)
	Classification	Amount	Classification	Amount	
<b>State Treasury</b>					
Investment derivative instruments:					
Futures	Investment Income	\$ 3,375	Receivable/Payable	\$ 2,097	\$ 24,600
This schedule includes both long and short positions.					

See section 1E of Note 1 to these financial statements regarding State Treasury's securities pricing policies and independent pricing services methodologies related to securities not available on quoted market pricing exchanges.

### ***Other Investments***

The SBA has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are authorized to be used as tools for managing risk or executing investment strategies more efficiently than could otherwise be done in cash markets. Derivative instruments shall only be used as part of a prudent investment process. Various derivative investment instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets, default risk, and mortgaged-backed security prepayment risk, as well as to cost effectively manage exposure to domestic and international equities and bond and real estate markets.

A futures contract is an agreement between two parties, a buyer and a seller, to exchange a particular good for a particular price at a particular date in the future, all of which are specified in a contract common to all participants in a market on an organized futures exchange. Future contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the Statement of Fiduciary Net Position. Losses may arise from future changes in the value of the underlying instrument.

An option gives the buyer a stipulated privilege of buying or selling a stated property, security, or commodity at a given price (strike price) within a specified time (for an American-style option, at any time prior to or on the expiration date). A securities option is a negotiable contract in which the seller (writer), for a certain sum of money called the option premium, gives the buyer the right to demand within a specified time the purchase (call) from or sale (put) to the option seller of a specified number of bonds, currency units, index units, or shares of stock, at a fixed price or rate, called the strike price.

A forward currency contract is a contractual obligation, typically over-the-counter, traded between two parties to exchange a particular good or instrument at a set price on a future date. The buyer of the forward agrees to pay the price and take delivery of the good or instrument and is said to be "long" the forward contract, while the seller of the forward, or "short", agrees to deliver the good or instrument at the agreed price on the agreed date.

A swap is a contractual agreement to exchange a stream of periodic payments with a counterparty. Swaps are available in and between all active financial markets, including, but not limited to, interest rate swaps, credit default swaps, and total return swaps. An interest rate swap is an agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps often exchange a fixed payment for a floating payment that is linked to an interest rate. A credit default swap is an agreement that allows one party to "buy" protection from another party for losses that might be incurred as a result of default by a specified reference credit (or credits). The "buyer" of protection pays a premium for the protection, and the "seller" of protection agrees to make a payment to compensate the buyer for losses incurred if a defined credit event occurs. A total return swap is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset which includes both the income it generates and any capital gains. In total return swaps, the underlying asset (reference asset) is usually an equity index, loans, or bonds.

A summary of investment derivatives traded in the Lawton Chiles Endowment Fund and the FRS Pension Trust Fund is presented below (in thousands). As of June 30, 2013, all of the SBA investment derivatives were reported at fair value.

Increase/(Decrease) in Fair Value			Fair Value at June 30, 2013		
Classification	Amount (in U.S. \$)		Classification	Amount (in U.S. \$)	Notional (in U.S. \$)
<b>Governmental activities (Lawton Chiles Endowment Fund)</b>					
Investment derivative instruments:					
Futures <sup>1</sup>	Investment Income	\$ 20	Receivable/(Payable) <sup>1</sup>	\$ .....	\$ .....
<b>Fiduciary funds (FRS Pension Trust Fund)</b>					
Investment derivative instruments:					
Futures <sup>1</sup>	Investment Income	\$ 3,559	Receivable/(Payable) <sup>1</sup>	\$ (30,803)	\$2,757,496
Options <sup>2</sup>	Investment Income	(1,132)	Investment/(Liability) <sup>2</sup>	(1,055)	(1,708,600)
Forward currency contracts <sup>3</sup>	Investment Income	11,922	Receivable/(Payable) <sup>3</sup>	4,535	4,535
Interest rate swaps	Investment Income	81	Investment	174	34,000
Credit default swaps	Investment Income	447	Investment	(1,813)	133,000

<sup>1</sup> The total unrealized gain/(loss) for open futures contracts at June 30, 2013, was \$(30,803,104) in the FRS Pension Trust Fund. However, the majority of this loss has been settled with cash paid to the futures clearing broker on or before June 30, 2013. Outstanding remaining net futures trade equity at June 30, 2013, totaled \$7,375,943 for FRS, which is reported gross on the Statement of Fiduciary Net Position as "Accounts receivable" and "Accounts payable and accrued liabilities". The total notional values on long and short futures positions in FRS were \$3,411,045,569 and \$(653,550,000), respectively. Futures contracts for the Lawton Chiles Endowment Fund were closed on or before June 30, 2013.

<sup>2</sup> Purchased options are reported as investments and short sales of options are reported as liabilities on the Statement of Fiduciary Net Position. This schedule nets both long and short positions.

<sup>3</sup> The total receivable and payable notional and fair values (in U.S. \$) for forward currency contracts in the FRS Pension Trust Fund were \$394,655,258 and \$(390,120,198) as of June 30, 2013. These amounts are reported as "Foreign currency contracts receivable" and "Foreign currency contracts payable" on the Statement of Fiduciary Net Position.

## 7. Commitments

Each year the FRS Pension Trust Fund enters into a number of agreements that commit the Fund, upon request, to make additional investment purchases (i.e., capital commitments) up to predetermined amounts. The unfunded capital commitments that are not reported on the FRS Pension Trust Fund Statement of Fiduciary Net Position totaled \$10.0 billion as of June 30, 2013.

**NOTE 3 - RECEIVABLES AND PAYABLES**

“Receivables, net” and “Other loans and notes receivable, net,” as presented on the Government-wide Statement of Net Position and the applicable balance sheets and statements of net position in the fund financial statements, consist of the following (in thousands):

**GOVERNMENTAL ACTIVITIES**

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Accounts receivable	\$ 108,603	\$ 14,614	\$ 201	\$ 549,607	\$ 29,202
Contracts & grants receivable	.....	.....	.....	.....	107
Due from Federal government	3,492	12,710	14,442	1,467,935	32,316
Due from other governmental units	616	682	.....	3,242	80,317
Interest & dividends receivable	11,697	723	336	61	2,524
Loans & notes receivable	47,328	117,545	394	.....	9
Fees receivable	127,718	4	.....	.....	.....
Taxes receivable	2,943,229	21,471	49,097	.....	198,450
Allowance for uncollectibles	(1,670,052)	(11,419)	(407)	(22,115)	(7,205)
<b>Receivables, net</b>	<b>\$ 1,572,631</b>	<b>\$ 156,330</b>	<b>\$ 64,063</b>	<b>\$ 1,998,730</b>	<b>\$ 335,720</b>
Loans & notes receivable from other governments	\$ 57,597	\$ 1,121,121	\$ .....	\$ .....	\$ 865,823
Long-term interest receivable	.....	.....	.....	.....	396
Other loans & notes receivable	23,970	.....	.....	302,700	786
Allowance for uncollectibles	(327)	.....	.....	(261,644)	(7,883)
<b>Other loans &amp; notes receivable, net</b>	<b>\$ 81,240</b>	<b>\$ 1,121,121</b>	<b>\$ .....</b>	<b>\$ 41,056</b>	<b>\$ 859,122</b>

*(Continued below)*

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts receivable	\$ 227,700	\$ 929,927	\$ 18,468	360,806	\$ 1,309,201
Contracts & grants receivable	90,006	90,113	.....	.....	90,113
Due from Federal government	69,639	1,600,534	.....	.....	1,600,534
Due from other governmental units	5,348	90,205	5,460	.....	95,665
Interest & dividends receivable	1,759	17,100	216	.....	17,316
Loans & notes receivable	120,450	285,726	.....	.....	285,726
Fees receivable	296	128,018	.....	.....	128,018
Taxes receivable	14,531	3,226,778	.....	.....	3,226,778
Allowance for uncollectibles	(120,771)	(1,831,969)	.....	.....	(1,831,969)
<b>Receivables, net</b>	<b>\$ 408,958</b>	<b>\$ 4,536,432</b>	<b>\$ 24,144</b>	<b>\$ 360,806</b>	<b>\$ 4,921,382</b>
Loans & notes receivable from other governments	\$ 854,379	\$ 2,898,920	\$ .....	\$ .....	\$ 2,898,920
Long-term interest receivable	.....	396	.....	.....	396
Other loans & notes receivable	162,378	489,834	.....	.....	489,834
Allowance for uncollectibles	(10,205)	(280,059)	.....	.....	(280,059)
<b>Other loans &amp; notes receivable, net</b>	<b>\$ 1,006,552</b>	<b>\$ 3,109,091</b>	<b>\$ .....</b>	<b>\$ .....</b>	<b>\$ 3,109,091</b>

## BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts receivable	\$ 9,163	\$ 49,190	\$ 155,249	\$ 28,528	\$ 255,070
Due from Federal government	.....	.....	.....	.....	39,885
Due from other governmental units	571	.....	.....	.....	1,437
Interest & dividends receivable	1,120	538	2,524	23,578	111,425
Loans & notes receivable	.....	.....	.....	324,747	.....
Fees receivable	5,686	.....	.....	.....	2,884
Taxes receivable	.....	.....	.....	.....	508,514
Allowance for uncollectibles	.....	(2,628)	(19,977)	(4)	(307,877)
<b>Receivables, net</b>	<b>\$ 16,540</b>	<b>\$ 47,100</b>	<b>\$ 137,796</b>	<b>\$ 376,849</b>	<b>\$ 611,338</b>

Loans & notes receivable	82,308	.....	.....	1,727,001	.....
Allowance for uncollectibles	.....	.....	.....	.....	.....
<b>Other loans &amp; notes receivable, net</b>	<b>\$ 82,308</b>	<b>\$ ..... </b>	<b>\$ ..... </b>	<b>\$ 1,727,001</b>	<b>\$ ..... </b>

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts receivable	\$ 15,103	\$ 512,303	\$ 14,590	\$ 526,893
Due from Federal government	.....	39,885	.....	39,885
Due from other governmental units	8,296	10,304	.....	10,304
Interest & dividends receivable	161	139,346	.....	139,346
Loans & notes receivable	4,101	328,848	.....	328,848
Fees receivable	89	8,659	.....	8,659
Taxes receivable	.....	508,514	.....	508,514
Allowance for uncollectibles	(6,650)	(337,136)	.....	(337,136)
<b>Receivables, net</b>	<b>\$ 21,100</b>	<b>\$ 1,210,723</b>	<b>\$ 14,590</b>	<b>\$ 1,225,313</b>
Loans & notes receivable	4,536	1,813,845	.....	1,813,845
Allowance for uncollectibles	(1,232)	(1,232)	.....	(1,232)
<b>Other loans &amp; notes receivable, net</b>	<b>\$ 3,304</b>	<b>\$ 1,812,613</b>	<b>\$ ..... </b>	<b>\$ 1,812,613</b>

## COMPONENT UNITS

Accounts receivable	\$ 1,589,514
Contracts & grants receivable	198,769
Due from Federal government	17,556
Due from other governmental units	258,771
Interest & dividends receivable	129,456
Loans & notes receivable	318,086
Allowance for uncollectibles	(374,528)
<b>Receivables, net</b>	<b>\$ 2,137,624</b>
Other loans & notes receivable	\$ 3,290,564
Allowance for uncollectibles	(277,215)
<b>Other loans &amp; notes receivable, net</b>	<b>\$ 3,013,349</b>

“Accounts payable and accrued liabilities,” as presented on the Government-wide Statement of Net Position and the applicable balance sheets and statements of net position in the fund financial statements, consist of the following (in thousands):

### GOVERNMENTAL ACTIVITIES

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Accounts payable	\$ 207,031	\$ 24,526	\$ 21,145	\$ 204,619	\$ 320,606
Accrued salaries & wages	59,639	1,322	126	27,438	9,668
Claims payable	.....	.....	.....	.....	.....
Construction contracts	221	.....	.....	.....	251,487
Deposits payable	176	420	.....	8	5,172
Due to Federal government	.....	.....	.....	2,785	.....
Due to other governmental units	138,775	9,108	.....	4,848	7,458
Other payables	.....	.....	.....	.....	.....
Vouchers payable	8,692	.....	.....	.....	10
<b>Accounts payable and accrued liabilities</b>	<b>\$ 414,534</b>	<b>\$ 35,376</b>	<b>\$ 21,271</b>	<b>\$ 239,698</b>	<b>\$ 594,401</b>

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts payable	\$ 179,086	\$ 957,013	\$ 26,740	\$ 158,214	\$ 1,141,967
Accrued salaries & wages	9,219	107,412	2,442	.....	109,854
Claims payable	.....	.....	116,898	.....	116,898
Construction contracts	257	251,965	.....	.....	251,965
Deposits payable	195	5,971	.....	.....	5,971
Due to Federal government	1,435	4,220	.....	.....	4,220
Due to other governmental units	22,348	182,537	.....	.....	182,537
Other payables	3,692	3,692	5,259	.....	8,951
Vouchers payable	116	8,818	.....	.....	8,818
<b>Accounts payable and accrued liabilities</b>	<b>\$ 216,348</b>	<b>\$ 1,521,628</b>	<b>\$ 151,339</b>	<b>\$ 158,214</b>	<b>\$ 1,831,181</b>

## BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts payable	\$ 21	\$ 7,107	\$ 200,754	\$ 404,187	\$ 73,600
Accrued interest payable	.....	.....	40,444	.....	.....
Accrued salaries & wages	.....	37	.....	.....	.....
Construction contracts	36,178	.....	.....	.....	.....
Deposits payable	200	2,143	.....	.....	.....
<b>Accounts payable and accrued liabilities</b>	<b>\$ 36,399</b>	<b>\$ 9,287</b>	<b>\$ 241,198</b>	<b>\$ 404,187</b>	<b>\$ 73,600</b>

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts payable	\$ 12,483	\$ 698,152	\$ 697	\$ 698,849
Accrued interest payable	.....	40,444	.....	40,444
Accrued salaries & wages	2,248	2,285	.....	2,285
Construction contracts	.....	36,178	.....	36,178
Deposits payable	74	2,417	.....	2,417
<b>Accounts payable and accrued liabilities</b>	<b>\$ 14,805</b>	<b>\$ 779,476</b>	<b>\$ 697</b>	<b>\$ 780,173</b>

## COMPONENT UNITS

Accounts payable	\$ 697,148
Accrued interest payable	86,254
Accrued salaries & wages	227,507
Claims payable	1,719,988
Construction contracts	80,938
Deposits payable	235,429
Due to Federal government	5,989
Due to other governmental units	8,325
Vouchers payable	16,341
<b>Accounts payable and accrued liabilities</b>	<b>\$ 3,077,919</b>

## NOTE 4 – TAXES

Florida levies neither a personal income tax nor an ad valorem tax on real or tangible personal property. Taxes are, however, one of the principal sources of financing state operations. A schedule of tax revenues by major tax type for each applicable major governmental fund, and for nonmajor governmental funds in the aggregate, is presented below (in thousands):

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Sales and use tax	\$ 19,834,847	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ 19,834,847
Fuel taxes:							
Motor fuel tax	.....	.....	.....	.....	2,298,904	.....	2,298,904
Pollutant tax	.....	230,117	.....	.....	.....	.....	230,117
Aviation fuel tax	.....	.....	.....	.....	3,223	.....	3,223
Solid minerals severance tax	.....	37,313	.....	.....	.....	.....	37,313
Oil and gas production tax	11,286	.....	.....	.....	.....	.....	11,286
Total fuel taxes	11,286	267,430	.....	.....	2,302,127	.....	2,580,843
Corporate income tax	2,055,440	.....	.....	.....	.....	.....	2,055,440
Documentary stamp tax	1,662,044	.....	.....	.....	.....	.....	1,662,044
Intangible personal property tax	279,047	.....	.....	.....	.....	.....	279,047
Communications service tax	1,002,752	.....	420,023	.....	.....	.....	1,422,775
Estate tax	432	.....	.....	.....	.....	.....	432
Gross receipts utilities tax	.....	6,561	582,204	.....	.....	.....	588,765
Beverage and tobacco taxes:							
Alcoholic beverage tax	476,553	.....	.....	.....	.....	9,732	486,285
Cigarette tax	1,185,436	.....	.....	.....	.....	.....	1,185,436
Smokeless tobacco tax	28,374	.....	.....	.....	.....	.....	28,374
Total beverage and tobacco taxes	1,690,363	.....	.....	.....	.....	9,732	1,700,095
Other taxes:							
Insurance premium tax	899,195	.....	.....	.....	.....	7,809	907,004
Hospital public assistance tax	.....	.....	.....	928,214	.....	.....	928,214
Citrus excise tax	.....	.....	.....	.....	.....	38,711	38,711
Pari-mutuel wagering tax	6,644	.....	1	.....	.....	168,371	175,016
Total other taxes	905,839	.....	1	928,214	.....	214,891	2,048,945
Total	\$ 27,442,050	\$ 273,991	\$ 1,002,228	\$ 928,214	\$ 2,302,127	\$ 224,623	\$ 32,173,233

	Sales and Use Tax
Governmental fund statements	\$ 19,834,848
Government-wide accruals	79,743
Government-wide statements	<u>\$ 19,914,591</u>

**NOTE 5 - CAPITAL ASSETS**

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

For financial statement purposes, the state reports capital assets under the following categories and has established a reporting capitalization threshold for each category. Applicable capital assets are depreciated over the appropriate estimated useful lives using the straight-line method.

<b>Capital Asset Category</b>	<b>Financial Statement Capitalizing Threshold</b>	<b>Estimated Useful Life (in Years)</b>
<b>Land and other nondepreciable assets</b>	Capitalize all	Not depreciable
<b>Nondepreciable infrastructure</b>	Capitalize all	Not depreciable
<b>Construction work in progress</b>	\$100,000 when work is completed	Not depreciable
<b>Buildings, equipment, and other depreciable assets</b>		
Buildings and building improvements	\$100,000	5 - 50
Infrastructure and infrastructure improvements (depreciable)	\$100,000	3 - 50
Leasehold improvements	\$100,000	2 - 15
Intangible assets	\$4,000,000	2 - 30
Property under capital lease	Threshold correlates to asset category	2 - 20
Furniture and equipment	\$1,000 and \$250 for non-circulated books	2 - 25
Works of art and historical treasures	Items capitalized as of June 30, 1999, remain capitalized; capitalize unless considered a collection	5 - 50
Library resources	\$25	5 - 50
Other capital assets	\$1,000	3 - 20

The state has elected to use the modified approach for accounting for its roadways, bridges and other infrastructure assets included in the State Highway System. Under this approach, the Department of Transportation has made the commitment to maintain these assets at levels established by the Department of Transportation and approved by the Florida Legislature. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The Department of Transportation maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, the Department of Transportation makes annual estimates of the amounts that must be expended to maintain these assets at the predetermined condition levels. Refer to the Other Required Supplementary Information for additional information on infrastructure using the modified approach.

Not included in the reported capital assets are the irreplaceable collections at various historic sites and museums throughout the state. For example, the Museum of Florida History, located in Tallahassee, currently has artifacts illustrating the history of Florida since the arrival of human beings on the peninsula. It also has access to collections that include Florida upland and underwater archaeology, Florida archives, and Florida and Spanish colonial numismatics.

Depreciation expense charged to functions of governmental activities for the year ended June 30, 2013, is as follows (in thousands):

General Government	\$ 65,872
Education	9,756
Human Services	30,007
Criminal Justice & Correction	97,756
Natural Resources & Environment	56,803
Transportation	39,829
State Courts	3,145
<b>Total depreciation expense (governmental activities)</b>	<b>\$ 303,168</b>

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Primary government capital asset activities for the fiscal year ended June 30, 2013, are as follows (in thousands):

## GOVERNMENTAL ACTIVITIES

	Balance July 1, 2012	Restatement	Increases	Decreases	Balance June 30, 2013
<b>Capital assets, not being depreciated:</b>					
Land and other nondepreciable assets	\$ 17,193,914	\$ .....	\$ 325,497	\$ 44,572	\$ 17,474,839
Infrastructure and infrastructure improvements - nondepreciable	36,217,618	.....	1,573,881	128,947	37,662,552
Construction work in progress	7,540,108	(11,286)	825,977	595,363	7,759,436
<b>Total capital assets, not being depreciated</b>	<b>60,951,640</b>	<b>(11,286)</b>	<b>2,725,355</b>	<b>768,882</b>	<b>62,896,827</b>
<b>Capital assets, being depreciated:</b>					
Buildings and building improvements	4,834,124	(70,760)	158,524	23,471	4,898,417
Infrastructure and infrastructure improvements	665,480	.....	35,806	1,149	700,137
Leasehold improvements	1,055	.....	9	.....	1,064
Property under capital lease	177,169	.....	.....	171	176,998
Furniture and equipment	1,768,400	(1,505)	199,569	189,863	1,776,601
Works of art and historical treasures	1,873	.....	24	.....	1,897
Library resources	30,167	.....	3,710	3,879	29,998
Other	76,488	.....	586	1,492	75,582
<b>Total capital assets, being depreciated</b>	<b>7,554,756</b>	<b>(72,265)</b>	<b>398,228</b>	<b>220,025</b>	<b>7,660,694</b>
<b>Less accumulated depreciation for:</b>					
Buildings and building improvements	2,216,079	(13,252)	135,206	12,626	2,325,407
Infrastructure and infrastructure improvements	333,052	.....	28,837	536	361,353
Leasehold improvements	244	.....	305	.....	549
Property under capital lease	57,263	.....	9,505	165	66,603
Furniture and equipment	1,337,486	(450)	121,382	98,850	1,359,568
Works of art and historical treasures	755	.....	72	.....	827
Library resources	14,522	.....	1,722	1,246	14,998
Other	43,851	.....	6,139	150	49,840
<b>Total accumulated depreciation</b>	<b>4,003,252</b>	<b>(13,702)</b>	<b>303,168</b>	<b>113,573</b>	<b>4,179,145</b>
<b>Total capital assets, being depreciated, net</b>	<b>3,551,504</b>	<b>(58,563)</b>	<b>95,060</b>	<b>106,452</b>	<b>3,481,549</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 64,503,144</b>	<b>\$ (69,849)</b>	<b>\$ 2,820,415</b>	<b>\$ 875,334</b>	<b>\$ 66,378,376</b>

## BUSINESS-TYPE ACTIVITIES

	Balance July 1, 2012	Restatement	Increases	Decreases	Balance June 30, 2013
<b>Capital assets, not being depreciated:</b>					
Land and other nondepreciable assets	\$ 882,664	.....	\$ 3,515	\$ 489	\$ 885,690
Infrastructure and infrastructure improvements - nondepreciable	6,780,931	.....	122,333	.....	6,903,264
Construction work in progress	413,667	11,286	225,129	2,551	647,531
<b>Total capital assets, not being depreciated</b>	<b>8,077,262</b>	<b>11,286</b>	<b>350,977</b>	<b>3,040</b>	<b>8,436,485</b>
<b>Capital assets, being depreciated:</b>					
Buildings and building improvements	281,306	70,760	49,130	15,133	386,063
Infrastructure and infrastructure improvements	1,102	.....	67	.....	1,169
Leasehold improvements	69	.....	10	.....	79
Furniture and equipment	194,661	1,505	36,527	33,397	199,296
Library resources	4	.....	.....	.....	4
Other	49,444	.....	1,999	.....	51,443
<b>Total capital assets, being depreciated</b>	<b>526,586</b>	<b>72,265</b>	<b>87,733</b>	<b>48,530</b>	<b>638,054</b>
<b>Less accumulated depreciation for:</b>					
Buildings and building improvements	128,220	13,252	12,616	13,998	140,090
Infrastructure and infrastructure improvements	170	.....	68	.....	238
Leasehold improvements	36	.....	11	.....	47
Furniture and equipment	127,000	450	18,649	30,917	115,182
Library resources	.....	.....	1	.....	1
Other	20,510	.....	10,881	.....	31,391
<b>Total accumulated depreciation</b>	<b>275,936</b>	<b>13,702</b>	<b>42,226</b>	<b>44,915</b>	<b>286,949</b>
<b>Total capital assets, being depreciated, net</b>	<b>250,650</b>	<b>58,563</b>	<b>45,507</b>	<b>3,615</b>	<b>351,105</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 8,327,912</b>	<b>\$ 69,849</b>	<b>\$ 396,484</b>	<b>\$ 6,655</b>	<b>\$ 8,787,590</b>

Component units' capital asset activities for the fiscal year ended June 30, 2013, are as follows (in thousands):

### COMPONENT UNITS

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
<b>Capital assets, not being depreciated:</b>				
Land and other non-depreciable assets	\$ 6,247,823	\$ 113,462	\$ 39,061	\$ 6,322,224
Construction work in progress	1,818,611	913,408	1,091,140	1,640,879
<b>Total capital assets, not being depreciated</b>	<b>8,066,434</b>	<b>1,026,870</b>	<b>1,130,201</b>	<b>7,963,103</b>
<b>Capital assets, being depreciated:</b>				
Buildings and building improvements	16,076,398	938,422	68,818	16,946,002
Infrastructure and infrastructure improvements	2,291,989	111,485	5,490	2,397,984
Leasehold improvements	303,414	18,029	4,227	317,216
Property under capital lease	122,573	27,770	3,197	147,146
Furniture and equipment	3,076,548	244,589	155,887	3,165,250
Works of art and historical treasures	3,344	274	99	3,519
Library resources	884,582	27,122	19,604	892,100
Other	259,926	53,343	8,093	305,176
<b>Total capital assets, being depreciated</b>	<b>23,018,774</b>	<b>1,421,034</b>	<b>265,415</b>	<b>24,174,393</b>
<b>Less accumulated depreciation for:</b>				
Buildings and building improvements	4,981,347	445,730	32,964	5,394,113
Infrastructure and infrastructure improvements	857,664	76,629	1,493	932,800
Leasehold improvements	91,482	14,260	3,025	102,717
Property under capital lease	56,217	7,064	841	62,440
Furniture and equipment	2,101,720	223,043	124,988	2,199,775
Works of art and historical treasures	1,233	333	180	1,386
Library resources	677,551	41,380	19,725	699,206
Other	188,870	30,880	4,240	215,510
<b>Total accumulated depreciation</b>	<b>8,956,084</b>	<b>839,319</b>	<b>187,456</b>	<b>9,607,947</b>
<b>Total capital assets, being depreciated, net</b>	<b>14,062,690</b>	<b>581,715</b>	<b>77,959</b>	<b>14,566,446</b>
<b>Component units capital assets, net</b>	<b>\$ 22,129,124</b>	<b>\$ 1,608,585</b>	<b>\$ 1,208,160</b>	<b>\$ 22,529,549</b>

## NOTE 6 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

### A. Pensions

#### 1. The Florida Retirement System

The Florida Retirement System (FRS) was created in Chapter 121, Florida Statutes (F. S.), effective December 1, 1970, by consolidating and closing these existing plans to new members: the Teachers' Retirement System (Chapter 238, F.S.), the State and County Officers and Employees' Retirement System (Chapter 122, F.S.), and the Highway Patrol Pension Trust Fund (Chapter 321, F.S.). In 1972, the Judicial Retirement System (Section 121.046, F.S.) was closed and consolidated into the FRS. The FRS was created to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is the FRS Investment Plan. Effective July 1, 2007, the Institute of Food and Agricultural Sciences (IFAS) Supplemental Retirement Program, established under Section 121.40, F.S., was consolidated under the Florida Retirement System defined benefit plan as a closed retirement plan. Participation in the IFAS Supplemental Retirement Program does not constitute membership in the FRS.

Chapter 121, F.S., also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class (SMSC) employed by the state, state elected officials who chose SMSC membership in lieu of Elected Officers' Class membership, and faculty and specified employees in the state university system and state community colleges. Provisions relating to the FRS are also contained in Chapter 112, F.S.

FRS membership is compulsory for all employees filling a regularly established position in a state agency, county agency, state university, state community college, or district school board. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who must participate in the State University System Optional Retirement Program.

There are five general classes of membership, as follows:

- *Regular Class* - Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* - Members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, and assistant capital collateral representatives. Members of the Elected Officers' Class may elect to withdraw from the FRS or participate in the SMSC in lieu of the Elected Officers' Class.
- *Special Risk Class* - Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers, certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* - Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
- *Elected Officers' Class (EOC)* - Members who are elected state and county officers and the elected officers of cities and special districts that choose to place their elected officials in this class.

Since July 1, 2001, the FRS Pension Plan has provided for vesting of benefits after six years of creditable service. Members not actively working in a position covered by the FRS on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2001, through June 30, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5% benefit reduction for each year prior to the normal retirement age.

- *Regular Class, Senior Management Service Class, and Elected Officers' Class Members* – For members initially enrolled in the FRS before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62.

For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

- *Special Risk Class and Special Risk Administrative Support Class Members* – For members initially enrolled in the FRS before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

Benefits under the FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value by membership class. Members are also eligible for in-line-of-duty or regular disability and survivors' benefits. Pension benefits of retirees and annuitants are increased each July 1 by a cost-of-living adjustment. If the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

The Deferred Retirement Option Program (DROP) became effective July 1, 1998, subject to provisions of Section 121.091(13), F.S. Defined benefit plan members who reach normal retirement are eligible to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a maximum of 60 months. Authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. Monthly retirement benefits remain in the FRS Trust Fund during DROP participation and accrue interest. As of June 30, 2013, the FRS Trust Fund projected \$3,209,149,119 in accumulated benefits and interest for 38,724 current and prior participants in the DROP.

The FRS is a cost-sharing multiple-employer public-employee retirement system with two primary plans. The Department of Management Services, Division of Retirement administers the FRS Pension Plan. The State Board of Administration invests the assets of the Pension Plan held in the FRS Trust Fund. Costs of administering the FRS Pension Plan are funded through earnings on investments of the FRS Trust Fund. Reporting of the FRS is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

The State Board of Administration administers the defined contribution plan officially titled the FRS Investment Plan. Service retirement benefits are based upon the value of the member's account upon retirement. The FRS Investment Plan provides vesting after one year of service for Investment Plan contributions regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, six years of service (including the service credit represented by the transferred funds) is required to be vested for these funds and the earnings on the funds. The employer pays a contribution as a percentage of salary that is deposited into the individual member's account. The Investment Plan member directs the investment from the options offered under the plan. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of

0.03% of payroll and by forfeited benefits of plan members. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the FRS Investment Plan and rely upon that account balance for retirement income.

All participating employers must comply with statutory contribution requirements. Section 121.031(3), F.S., requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Legislature as guidance for funding decisions. Employer and employee contribution rates are established in Section 121.71, F.S. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and Investment Plan rates) are recommended by the actuary but set by the Legislature. Statutes require that any unfunded actuarial liability (UAL) be amortized within 30 plan years. Pursuant to Section 121.031(3) (f), F.S., any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. The balance of legally required reserves for all defined benefit pension plans at June 30, 2013, was \$129,852,527,785. These funds were reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan.

#### FRS Retirement Contribution Rates:

Membership Class	Uniform Employer Rates Recommended by Actuarial Valuation as of July 1, 2011 for Fiscal Year 2012-2013*	July 1, 2012 Statutory Rates* (Ch. 121, F.S.)
Regular	5.99%	4.04%
Senior Management Service	16.90%	5.16%
Special Risk	19.03%	13.76%
Special Risk Administrative Support	31.88%	4.77%
Elected Officers - Judges	26.85%	10.79%
Elected Officers - Legislators/Attorneys/Cabinet	34.77%	7.39%
Elected Officers - County	32.78%	9.09%
Deferred Retirement Option Program - applicable to members from all of the above classes or plans	10.54%	4.33%

\* Rates indicated are uniform rates for all FRS members created by blending the FRS Investment Plan and FRS Pension Plan rates and including UAL contribution rates. These rates do not include a 0.03% contribution for the FRS Investment Plan administration and educational program fee. In addition, the July 1, 2012, statutory employer rates do not include 3.00% mandatory employee contribution required for all membership classed except for members in the Deferred Retirement Option Program.

#### FRS Participating Employers:

State Agencies	55
County Agencies	396
District School Boards	67
Community Colleges	28
Cities*	185
Special Districts*	259
Hospitals*	6
Other	12
Total Participating Employers	<u>1,008</u>

\* This total includes 26 cities, 5 independent hospitals, and 12 independent special districts that are closed to new FRS members as of January 1, 1996.

**FRS Membership:**

Member Types	Regular Class	SMSC	Special Risk	Special Risk Admin Supp	EOC	Total
Active:						
Non-vested	125,762	1,470	16,621	2	458	144,313
Vested	417,248	6,190	52,179	56	1,788	477,461
DROP Participants	33,735	668	4,068	9	244	38,724
Current Retirees and Beneficiaries	311,644	3,237	29,781	170	2,315	347,147
Vested Terminated	100,931	1,314	6,183	15	405	108,848
Total Members	989,320	12,879	108,832	252	5,210	1,116,493

The above counts for "Current Retirees and Beneficiaries" do not reflect the FRS Investment Plan members who retired.

Additional information about the FRS Pension Plan can be obtained from the Research and Education Section, Division of Retirement by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877) 377-1737 or (850) 488-5706; by email at rep@dms.myflorida.com; or at the Division's website (www.frs.myflorida.com).

**FRS Participation by the State of Florida**

The State of Florida contributes to the FRS as a participating employer. State participation for the following disclosure includes the employees of state agencies and the State University System that elect to participate in the FRS. The state contributes to both the defined benefit and defined contribution plans within the FRS. For the fiscal year ended June 30, 2013, the state's total covered payroll includes 126,403 active members and 8,901 DROP participants. The total contribution amounts were equal to the required contributions for each year. Covered payroll refers to FRS-eligible compensation paid by the state to active FRS-participating employees on which contributions are owed. The state's contributions represented 21.19% of the total contributions required of all participating employers. The table below provides information on contributions for the fiscal year ended June 30, 2013 and the two preceding years:

State Share	Fiscal Year Ended June 30,		
	2013	2012	2011
FRS Defined Benefit Plan:			
Employer Contributions	\$ 273,078,027	\$ 238,711,455	\$ 647,472,867
Employee Contributions	127,395,166	113,221,250	**
FRS Defined Contribution Plan:			
Employer Contributions	53,146,281	94,289,195	117,977,967
Employee Contributions	33,007,209	29,118,663	**
Total Contributions	<u>\$ 486,626,683</u>	<u>\$ 475,340,563</u>	<u>\$ 765,450,834</u>
Covered Payroll (State share)	\$ 5,435,607,912	\$ 5,555,137,141	\$ 5,891,229,072
State Percent of Covered Payroll	8.95%	8.56%	12.99%

\*\* Employee contributions were not required until the 2011-2012 fiscal year.

Employee eligibility, benefits, and contributions by class are as previously described. Employees not filling regular established positions and working under the other personal services (OPS) status are not covered by the FRS.

**2. Retiree Health Insurance Subsidy Program**

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, F.S. The benefit is a monthly payment to assist retirees of state-administered retirement

systems in paying their health insurance costs and is administered by the Division of Retirement within the Department of Management Services. For the fiscal year ended June 30, 2013, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, F.S. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2013, the contribution rate was 1.11% of payroll pursuant to Section 112.363, F.S. The state contributed 100% of its statutorily required contributions for the current and preceding two years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

The Other Required Supplementary Information section of this report includes actuarial and other information regarding this HIS Program. The HIS Program disclosures are also included in the FRS Annual Report prepared by the Division of Retirement. For a copy of that report or other information regarding this benefit, please contact the Division of Retirement by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877) 377-1737 or (850) 488-5706; or by email at rep@dms.myflorida.com. The table below provides additional information for the HIS as of June 30 (in thousands where amounts are dollars):

	Fiscal Year Ended June 30,		
	2013	2012	2011
Recipients	310,139	297,303	283,479
Contributions	\$ 327,574	\$ 322,610	\$ 334,449
Benefits paid	\$ 390,973	\$ 374,444	\$ 356,150
Trust Fund net position	\$ 157,928	\$ 220,346	\$ 271,348

### 3. Funded Status for Defined Benefit Pension Plans

The following table provides funding information for the most recent actuarial valuation dates (amounts expressed in thousands):

Pension Plan	Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Annualized Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
FRS	July 1, 2012	\$ 127,891,781	\$ 148,049,596	\$ 20,157,815	86.38%	\$ 24,491,371 <sup>(1)</sup>	82.31%
HIS	July 1, 2012	\$ 220,346	\$ 9,018,467	\$ 8,798,121	2.44%	\$ 31,345,990 <sup>(2)</sup>	28.07%

Additional information as of the latest actuarial valuation follows:

	FRS	HIS
Valuation date	July 1, 2012	July 1, 2012
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Percentage of Pay, Open	Level Percentage of Pay, Open
Equivalent single amortization period	30 Years <sup>(3)</sup>	30 Years <sup>(3)</sup>
Asset valuation method	5-Year Smoothed Method	Market Value
Actuarial assumptions:		
Investment rate of return	7.75% <sup>(4)</sup>	4.00% <sup>(4)</sup>
Projected salary increases	5.85% <sup>(4, 5)</sup>	5.85% <sup>(4, 5)</sup>
Cost-of-living adjustments	3.00%	0.00%

<sup>(1)</sup> Includes Deferred Retirement Option Program (DROP) payroll.

<sup>(2)</sup> Includes Deferred Retirement Option Program (DROP) and Investment Plan payroll.

<sup>(3)</sup> Used for GASB Statement No. 27 reporting purposes.

<sup>(4)</sup> Includes inflation at 3.00%.

<sup>(5)</sup> Includes individual salary growth of 4.00% plus an age- and service-graded merit scale defined by gender and employment class.

The FRS schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to actuarial accrued liability for benefits. The Retiree HIS schedule of funding progress presents information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits as of July 1, 2012, the most recent actuarial valuation available.

#### 4. Other Defined Contribution Programs (Optional Retirement Programs)

##### State University System Optional Retirement Program (SUSORP)

Section 121.35, F.S., created the SUSORP for eligible State University System faculty, administrators, and administrative and professional staff. This program is designed to aid universities in recruiting employees who may not remain in the FRS long enough to vest. The SUSORP is a defined contribution plan that provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to invest as directed by the participant to provide retirement and death benefits. Employees in eligible positions are compulsory participants in the SUSORP unless they elect FRS membership. Faculty in a college of medicine with a faculty practice plan are mandatory SUSORP participants and cannot elect FRS membership.

The employing universities were statutorily required to contribute 5.15% of the participants' gross monthly compensation from July 2012 through June 2013. When applicable, a portion of the total contribution is transferred to the FRS Trust Fund to help amortize any unfunded actuarial liability (UAL). There was also a UAL payment required of 0.49% for fiscal year 2012-13. In accordance with Chapter 60U-2, Florida Administrative Code, 0.01% of the employer contribution rate was used for the administration of the SUSORP program and 5.14% was distributed to the provider companies designated by the participant. Effective July 1, 2011, there is a mandatory employee contribution of 3%. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the university. Additional information pertaining to the SUSORP is as follows:

Members	17,780		
Payroll	\$ 1,490,241,941		
Contributions:			
Employee	\$ 81,744,087	5.49%	of payroll
Employer	\$ 83,915,913	5.63%	of payroll

##### Senior Management Service Optional Annuity Program (SMSOAP)

Section 121.055, F.S., created the SMSOAP as an optional retirement program for state members of the Senior Management Service Class. The SMSOAP is a defined contribution plan that provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to invest as directed to provide retirement and death benefits. Employees in eligible state positions may make an irrevocable election to participate in the SMSOAP in lieu of the Senior Management Service Class. Employers were required to contribute 6.27% of covered payroll from July 2012 through June 2013. When applicable, a portion of the total contribution is transferred to the FRS Trust Fund to help amortize the unfunded actuarial liability (UAL). There was a UAL payment of 0.32% required for fiscal year 2012-13. The employers' contributions were paid to the provider companies designated by the participant. Effective July 1, 2011, there is a mandatory employee contribution of 3%. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the employer. Additional information pertaining to the SMSOAP is as follows:

Members	31		
Payroll	\$ 3,422,273		
Contributions:			
Employee	\$ 123,256	3.60%	of payroll
Employer	\$ 232,683	6.80%	of payroll

#### B. Other Postemployment Benefits (OPEB)

The following is based on the October 16, 2013, actuarial valuation of the State Employees' Health Insurance Program Retiree healthcare benefits as of July 1, 2013.

##### Plan Description

The state implicitly subsidizes the healthcare premium rates paid by retirees by allowing them to participate in the same group health plan offered to active employees. Although retirees pay 100% of the premium amount, the premium cost to the retiree is implicitly subsidized due to increasing health care costs with age and the commingling of the claims experience in a single risk pool with a single premium determination for active employees and retirees under age 65. Section 110.123, F.S., authorizes

the offering of health insurance benefits to retired state and university employees. Section 112.0801, F.S., requires all public employers that offer benefits through a group insurance plan to allow their retirees to continue participation in the plan. The law also requires the claims experience of the retirees under 65 group to be combined with the claims experience of active employees for premium determination and the premium offered to retired employees to be no more than the premium applicable to active employees. Retirees under age 65 pay the same premium amounts as applicable to active employees. Retirees over age 65 are included in the overall risk pool but pay a lesser premium amount than is applicable to active employees because the plan is secondary payer to Medicare Parts A and B. The State Employees' Group Health Insurance Program (Program) operates as a cost-sharing multiple-employer defined benefit health plan; however, current administration of the Program is not through a formal trust and therefore disclosure requirements are those applicable to an agency multiple-employer plan. The Division of State Group Insurance within the Department of Management Services is designated by Section 110.123, F.S., to be responsible for all aspects of the purchase of healthcare for state and university employees and retirees under the Program.

There are twenty-one participating employers including the primary government of the state, the twelve state universities, and other governmental entities. There was an average enrollment of 172,190 contracts including 36,485 retirees and 135,705 employees and COBRA participants for fiscal year 2012-2013. Employees must make an election to participate in the plan within 31 days of the effective date of their retirement to be eligible to continue in the plan as a retiree. Four types of health plans are offered to eligible participants: a standard statewide Preferred Provider Organization (PPO) Plan, a Health Investor PPO Plan, a standard Health Maintenance Organization (HMO) Plan, and a Health Investor HMO Plan. HMO coverage is available only to those retirees who live or work in the HMO's service area. The four PPO and HMO options are considered managed-care plans and have specific provider networks.

The asset and liability balances relating to retiree participation in the state group health insurance program are reported in an Agency Fund on the accrual basis of accounting. Premium payments from retirees are recognized as revenue in the period in which the payments are collected. Costs for providing benefits, which include premiums and direct healthcare services, are recognized as an expense when incurred.

#### Funding Policy

Benefit provisions are described by Section 110.123, F.S., and along with contributions, can be amended by the Florida Legislature. The state has not advance-funded OPEB costs or the net OPEB obligation. The Self-Insurance Estimating Conference develops official information for determining the budget levels needed for the state's planning and budgeting process. The Governor's recommended budget and the General Appropriations Act provide for a premium level necessary for funding the program each year on a pay-as-you-go basis. Monthly premiums, through June 2013 coverage, for active employees and retirees under the age of 65 for the standard plan were \$587.74 and \$1,329.14 for single and family contracts, respectively. Retirees over the age of 65 pay premiums for a Medicare supplement. Monthly premiums, through June 2013 coverage, for the standard Preferred Provider Organization Plan were \$326.92 for a single contract, \$653.84 for two Medicare eligible members, and \$942.64 for a family contract when at least one member is Medicare eligible. The following schedules regarding OPEB cost, net OPEB obligation and OPEB funded status disclose only the State of Florida's share of the OPEB. Refer to Other Required Supplementary Information for information on the OPEB plan as a whole.

#### Actuarially-Determined Annual OPEB Cost and Net OPEB Obligation as of June 30, 2013 and the two preceding fiscal years (dollars in thousands):

	2013	2012	2011
Annual required contribution (ARC)	\$ 327,829	\$ 330,167	\$ 237,028
Interest on the net OPEB obligation	28,412	19,093	12,790
Adjustments to the ARC	(24,624)	(16,547)	(10,658)
Annual OPEB Cost	331,617	332,713	239,160
Employer contribution	(103,428)	(99,734)	(81,580)
Increase/Decrease in net OPEB obligation	228,189	232,979	157,580
Net OPEB obligation - July 1	710,309	477,330	319,750
Net OPEB obligation - June 30	<u>\$ 938,498</u>	<u>\$ 710,309</u>	<u>\$ 477,330</u>
Percent of annual OPEB cost contributed	31.19%	29.98%	34.11%

Funded Status – State Share

The funded status of the plan as of June 30, 2013, was as follows (dollars in thousands):

Actuarial valuation date	July 1, 2012
Actuarial accrued liability (AAL)	\$ 4,878,629
Actuarial value of plan assets	.....
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,878,629</u>
Actuarial value of assets as a percentage of the AAL	0.00%
Covered payroll -- State share	\$ 4,248,022
UAAL (State) as a percentage of covered payroll	114.84%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, immediately following the notes to the financial statements, presents information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The entry age actuarial cost method was used for the actuarial valuation as of July 1, 2013. This method allocates the value of a member's benefit as a level percentage of pay between entry age and retirement age. Allocating costs as a level percentage of pay, even though the benefits are not pay-related, helps with budgeting for these employee benefits costs as a percentage of payroll. Actuarial assumptions included a 3% inflation rate, a 4% return on invested assets, and a 4% payroll growth rate. Initial healthcare cost trend rates used for the Preferred Provider Organization (PPO) Plans are 7.4%, 7.0%, and 8.2% for the first three years followed by 7.6% in the fourth year grading to 5.0% over the course of 70 years. For the Health Maintenance Organization (HMO) Plans, initial healthcare cost trend rates of 3.9%, 7.8%, and 8.3% for the first three years followed by 8.2% in the fourth year and grading to 5.0% over the course of 70 years. The unfunded actuarial accrued liability is being amortized as a level percentage of pay - on an open basis, over a 30 year period.

## NOTE 7 - COMMITMENTS AND OPERATING LEASES

### A. Construction Commitments

Road and bridge construction projects, supervised by the Department of Transportation, are included in the Department of Transportation work program, which is updated during each budget cycle. As of June 30, 2013, the Department had available approximately \$7.4 billion in budget authority committed on executed contracts arising from both current and prior year projects. Other major construction commitments of the State of Florida at June 30, 2013, totaled \$281 million. Refer to Note 5 for additional disclosures relating to construction in progress. Construction commitments for component units totaled \$1.5 billion.

### B. Florida Ports Financing Commission Revenue Bonds

The state has enacted legislation obligating it to remit annually \$25 million to a designated trustee for the purpose of repaying the debt on certain Florida Ports Financing Commission revenue bonds. The Florida Ports Financing Commission is not part of the state's reporting entity. These revenue bonds do not create or constitute a legal obligation or debt of the state. Funding for the annual remittance comes from the State of Florida, Department of Transportation's portion of motor vehicle registration fees, which was \$486,658,768 for the fiscal year ended June 30, 2013. The table below represents the Florida Ports Financing Commission revenue bonds outstanding at June 30, 2013. The bonds noted below were issued in May 2011 with proceeds used to defease the Commission's Series 1996 and Series 1999 bonds:

Series	Amount
2011A	\$ 10,400,000
2011B	134,380,000
2011A (Intermodal)	66,300,000
2011B (Intermodal)	47,000,000
Total	\$ 258,080,000

### C. Operating Leases

Operating leases are not recorded on the balance sheets or statements of net position; however, operating lease payments are recorded as expenditures/expenses when incurred. Total operating lease payments for the state's governmental activities, business-type activities, and component units were \$129.3 million, \$13.8 million, and \$74.7 million, respectively, for the year ended June 30, 2013. The following is a schedule of future non-cancelable operating lease payments for the primary government and component units at June 30, 2013 (in thousands):

	Primary Government		Component Units
	Governmental Activities	Business-type Activities	
2014	\$ 119,369	\$ 9,186	\$ 68,996
2015	111,621	8,762	44,973
2016	103,806	7,900	36,523
2017	95,678	6,854	31,437
2018	94,429	6,157	28,580
2019-2023	148,059	8,151	57,656
2024-2028	19,808	787	27,170
2029-2033	3,528	634	21,322
2034-2038	3,558	.....	13,984
2039-2043	2,348	.....	8,913
2044-2048	534	.....	2,765
2049-2053	.....	.....	2,765
2054-2058	.....	.....	2,578
2059-2063	.....	.....	2,298
2064-2068	.....	.....	2,298
2069-2073	.....	.....	2,298
Total	\$ 702,738	\$ 48,431	\$ 354,556

**D. Encumbrances**

As of June 30, 2013, encumbrances for major and nonmajor governmental funds were (in thousands):

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
<b>Encumbrances:</b>	\$ 149,292	\$ 3,843	\$171,057	\$ 29,060	\$ 31,591	\$ 181,014	\$ 565,857

## NOTE 8 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION

### A. Bonds Payable

#### 1. Outstanding Bonds

Bonds payable at June 30, 2013, are as follows (in thousands):

Bond Type	Original Amount	Amount Outstanding	Interest Rates	Annual Maturity To
Governmental Activities:				
Road and Bridge Bonds	\$ 2,179,965	\$ 1,948,285	3.000%-6.375%	2041
SBE Capital Outlay Bonds	762,790	456,675	3.000%-5.000%	2030
Lottery Education Bonds	2,987,690	2,429,122	3.000%-6.584%	2032
Public Education Bonds	11,822,185	10,251,190	2.000%-6.000%	2041
State University System Bonds	218,015	178,385	3.000%-6.500%	2033
University Auxiliary Bonds	1,068,500	857,192	2.000%-7.500%	2042
Inland Protection Bonds	96,730	79,165	4.260%-5.400%	2024
Florida Forever Bonds	1,679,225	1,359,050	3.000%-7.045%	2029
Water Pollution Control Bonds	614,775	467,720	2.625%-5.500%	2031
Florida Facilities Pool Bonds	479,060	332,590	3.500%-5.750%	2039
State Infrastructure Bank Bonds	123,615	70,620	4.250%-5.000%	2027
Everglades Restoration Bonds	288,550	240,465	0.220%-6.450%	2032
	<u>22,321,100</u>	<u>18,670,459</u>		
Unamortized premiums (discounts) on bonds payable	.....	871,855		
Less amount deferred on refunding	.....	(129,709)		
Total Bonds Payable	<u>\$ 22,321,100</u>	<u>\$ 19,412,605</u>		
Business-type Activities:				
Toll Facilities Bonds	\$ 3,312,185	\$ 2,806,440	2.875%-6.800%	2042
Florida Hurricane Catastrophe Fund Bonds	<u>3,300,920</u>	<u>3,300,920</u>	1.298%-5.000%	2021
	6,613,105	6,107,360		
Unamortized premiums (discounts) on bonds payable	.....	125,879		
Less amount deferred on refunding	.....	(40,755)		
Total Bonds Payable	<u>\$ 6,613,105</u>	<u>\$ 6,192,484</u>		

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## 2. Types of Bonds

**Road and Bridge Bonds** are issued to finance the cost of acquiring real property, or the rights to real property for state roads, or to finance the cost of state bridge construction. The bonds, serial and term, are secured by a pledge of a portion of the state-assessed motor fuel tax revenues, and by a pledge of the full faith and credit of the state.

**State Board of Education (SBE) Capital Outlay Bonds** are issued to finance capital outlay projects of school districts and community colleges. The bonds, serial and term, are secured by a pledge of a portion of the state-assessed motor vehicle license tax and by a pledge of the full faith and credit of the state.

**Lottery Education Bonds** are issued to finance all or a portion of the costs of various local school district educational facilities. The bonds, serial and term, are secured by a pledge of a portion of the lottery revenues transferred to the Educational Enhancement Trust Fund.

**Public Education Bonds** are issued to finance capital outlay projects of local school districts, community colleges, vocational technical schools, and state universities. The bonds, serial and term, are secured by a pledge of the state's gross receipts tax revenues and by a pledge of the full faith and credit of the state.

**State University System Bonds** are issued to construct university student life facilities. The bonds, serial and term, are secured by a system pledge of Capital Improvement Fee and net Student Building Fee revenues.

**University Auxiliary Bonds** are issued to construct university facilities, including parking and housing. The bonds, serial and term, are secured by university pledges of certain housing system revenues, parking system revenues, and student fee assessments.

**Florida Forever Bonds** are issued to finance the cost of acquisition and improvements of lands, water areas, and related property interests and resources in the State of Florida for the purposes of restoration, conservation, recreation, water resource development, or historical preservation. The bonds, serial and term, are secured by a pledge of a portion of the documentary stamp tax.

**Water Pollution Control Bonds** are issued by the Water Pollution Control Financing Corporation (a blended component unit) to fund loans to local governments to finance or refinance the cost of wastewater treatment and storm water management projects. The bonds mature serially and are secured by a pledge of the loan payments from local governments.

**Inland Protection Bonds** are issued by the Inland Protection Financing Corporation (a blended component unit) for the purpose of financing the rehabilitation of petroleum contaminated sites. The bonds mature serially and are secured by a pledge of moneys derived from a wholesale excise tax primarily on petroleum products.

**State Infrastructure Bank Bonds** are issued primarily to finance loans made for the purpose of financing qualified transportation projects. The bonds mature serially and are secured by a pledge of repayments on pledged loans and moneys and investments held in reserve accounts.

**Florida Facilities Pool Bonds** are issued to provide funds for the acquisition and construction of facilities to be leased to state agencies. The bonds, serial and term, are secured by a pledge of the revenues derived from the leasing and operations of these facilities.

**Everglades Restoration Bonds** are revenue bonds issued to finance or refinance the costs of acquisition and improvement of lands, water areas, and related property interests and resources for the purpose of implementing the Comprehensive Everglades Restoration Plan and to fund the Florida Keys Area of Critical State Concern protection Program. The bonds mature serially and are secured by a pledge of a portion of the documentary stamp tax.

**Toll Facilities Bonds** are issued to provide construction funds for roads and bridges. Toll bonds, serial and term, are secured by a pledge of toll facility revenues.

**Florida Hurricane Catastrophe Fund Bonds** are issued by the Florida Hurricane Catastrophe Fund Finance Corporation to make payments to participating insurers for losses resulting from covered events (hurricanes). The bonds mature serially and are secured by emergency assessments and reimbursement premiums. Pre-event notes are also issued to provide a source of funds to reimburse participating insurers for losses relating to future covered events and are secured by reimbursement premiums.

### 3. Pledged Revenues (in thousands):

The table below contains information regarding revenues pledged to repay debt obligations. For each Bond Type, the table discloses Gross Revenue, Operating Expenses, Net Revenue Available for Debt Service, Principal, Interest, Coverage Ratio, Final Maturity, Remaining Debt Service, and Revenue Ratio. The Bond Types with Operating Expenses are considered self-supporting debt and are paid from the associated facilities being financed. If Operating Expenses are not shown, the bond type is considered to be Net Tax Supported debt and serviced by dedicated tax or fee revenues.

Bond Type	Revenue <sup>3</sup>	Less Operating Expenses	Net Available for Debt Service	Debt Service			Coverage Ratio	Final Maturity	Remaining Debt Service	Revenue Ratio <sup>4</sup>
				Principal	Interest <sup>5</sup>	Total Debt Service				
Florida Turnpike (Toll Facility)	\$ 767,985	\$ 157,388	\$ 610,597	\$ 111,680	\$ 133,549	\$ 245,229	2.49	2042	\$ 4,388,888	79.51%
Florida Forever/P2000/Everglades <sup>1</sup>	950,700	.....	950,700	345,485	88,253	433,738	2.19	2032	2,213,212	100.00%
Lottery Education <sup>1,2</sup>	1,424,307	.....	1,424,307	185,661	125,883	311,544	4.57	2032	3,254,531	100.00%
Alligator Alley (Toll Facility)	25,115	7,409	17,706	1,660	1,790	3,450	5.13	2027	48,282	70.50%
State Infrastructure Bank	64,368	.....	64,368	9,955	3,988	13,943	4.62	2027	86,398	100.00%
Florida Hurricane Catastrophe <sup>6</sup>	1,746,135	17,071	1,729,064	3,796,795	80,687	3,877,482	0.45	2021	3,721,612	99.02%
State University System Bonds	51,730	.....	51,730	17,335	9,614	26,949	1.92	2033	260,197	100.00%
University Auxiliary Bonds <sup>7</sup>										
Parking System Revenue Bonds										
Florida International University	12,663	4,062	8,601	2,815	2,151	4,966	1.73	2039	81,922	67.92%
University of South Florida	13,187	7,799	5,388	2,205	1,354	3,559	1.51	2026	37,745	40.86%
Florida Agricultural & Mechanical University	2,422	1,538	884	170	61	231	3.82	2018	1,164	36.50%
University of Florida	11,988	7,545	4,443	2,165	965	3,130	1.42	2028	28,309	37.06%
Florida Atlantic University	7,324	2,821	4,503	835	544	1,379	3.27	2032	28,260	61.48%
University of Central Florida	19,199	3,545	15,654	3,065	1,674	4,739	3.30	2032	54,913	81.54%
Florida State University	11,879	2,660	9,219	3,515	2,112	5,627	1.64	2031	64,141	77.61%
Housing System Revenue Bonds										
Florida Agricultural & Mechanical University	11,600	6,856	4,744	1,216	3,145	4,361	1.09	2032	100,342	40.90%
Florida International University	25,991	14,149	11,842	3,975	4,691	8,666	1.37	2041	168,402	45.56%
University of Florida	48,964	32,770	16,194	3,680	3,125	6,805	2.38	2031	96,236	33.07%
Florida Atlantic University	16,498	7,481	9,017	2,690	3,077	5,767	1.56	2036	101,916	54.66%
University of Central Florida	25,577	14,208	11,369	3,125	5,117	8,242	1.38	2042	166,241	44.45%
Florida State University	39,011	15,963	23,048	4,140	5,652	9,792	2.35	2040	194,963	59.08%
Student Health and Wellness Center Revenue Bonds										
University of Central Florida	13,243	.....	13,243	360	256	616	21.50	2024	6,798	100.00%
Florida State University	14,232	.....	14,232	1,110	1,272	2,382	5.97	2030	40,465	100.00%
University of North Florida	3,985	.....	3,985	410	618	1,028	3.88	2036	28,296	100.00%
Bookstore Revenue Bonds										
University of Central Florida	1,880	401	1,479	230	65	295	5.02	2017	1,171	78.67%
Student Services Center Revenue Bonds										
Florida Agricultural & Mechanical University	2,197	1,395	802	405	120	525	1.53	2017	2,105	36.50%
Water Pollution Control Bonds	87,796	.....	87,796	34,155	23,514	57,669	1.52	2031	650,997	100.00%
Inland Protection Bonds	188,346	.....	188,346	5,605	3,181	8,786	21.44	2024	104,262	100.00%

<sup>1</sup> Operating Expenses are not listed for the Lottery Program and the Environmental Programs e.g. Florida Forever/Everglades Restoration Programs. For these programs, either no operating expenses reduce revenues available for debt service, or, in the case of the Lottery, include expenses unrelated to the operation of the program, such as payment of lottery prizes. Instead, for these programs, the revenue shown is the amount available to pay debt service.

<sup>2</sup> Source Department of Lottery, Audited Financial Statements.

<sup>3</sup> Refer to Note 8A.2. for information on the sources of pledged revenues.

<sup>4</sup> Revenue Ratio is calculated as Net Available for Debt Service divided by Revenue.

<sup>5</sup> Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.

<sup>6</sup> In the 2007-2008 fiscal year, Florida Hurricane Catastrophe Fund executed a \$3.5 billion liquidity bond issue. The proceeds of the issue were used to redeem the bonds at maturity in the fiscal year 2013. The coverage ratio shown is based only on net revenue and does not include the bond proceeds used to redeem the bonds. Including the bond proceeds, the coverage ratio is 1.35.

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#### **4. State Debt Limitations**

Section 215.98, F.S., establishes the ratio of tax-supported debt service to tax-supported revenues as the benchmark debt ratio for purposes of setting the state's legal debt margin. Under the policy, if the ratio exceeds 6%, additional tax-supported debt may be authorized only if the legislature determines the additional debt is in the best interest of the state. If the ratio exceeds 7%, additional tax-supported debt may be authorized only if the legislature determines it is necessary to address a critical state emergency. During the fiscal year 2012-13, the ratio improved to below 7% but exceeded 6%, primarily because of the increase in tax revenues. Chapter 2012-119, Section 47, Laws of Florida, provided the legislature's determination that the authorization and issuance of debt for the 2012-13 fiscal year was in the best interest of the state and necessary to address a critical state emergency.

## 5. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2013, are as follows (in thousands):

Year Ending June 30	Primary Government					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 991,276	\$ 893,982	\$ 1,885,258	\$ 418,960	\$ 224,016	\$ 642,976
2015	1,018,794	846,851	1,865,645	447,320	217,999	665,319
2016	1,057,609	797,311	1,854,920	470,800	195,779	666,579
2017	1,073,898	746,436	1,820,334	968,150	169,607	1,137,757
2018	1,095,486	694,855	1,790,341	142,485	151,497	293,982
2019-2023	5,427,587	2,685,421	8,113,008	2,170,895	531,476	2,702,371
2024-2028	4,054,950	1,471,664	5,526,614	584,075	300,576	884,651
2029-2033	2,401,049	701,843	3,102,892	464,365	182,317	646,682
2034-2038	1,378,640	227,259	1,605,899	350,030	70,702	420,732
2039-2043	171,170	12,418	183,588	90,280	7,462	97,742
Bonds Payable and Interest	18,670,459	9,078,040	27,748,499	6,107,360	2,051,431	8,158,791
Unamortized premiums (discounts)	871,855	.....	871,855	125,879	.....	125,879
Amount deferred or refunded	(129,709)	.....	(129,709)	(40,755)	.....	(40,755)
Total bonds payable and interest	<u>\$ 19,412,605</u>	<u>\$ 9,078,040</u>	<u>\$ 28,490,645</u>	<u>\$ 6,192,484</u>	<u>\$ 2,051,431</u>	<u>\$ 8,243,915</u>

Year Ending June 30	Component Units		
	Principal	Interest	Total
2014	\$ 1,374,932	\$ 768,276	\$ 2,143,208
2015	1,748,829	368,893	2,117,722
2016	1,194,543	314,008	1,508,551
2017	1,282,145	251,646	1,533,791
2018	388,731	217,238	605,969
2019-2023	1,754,686	806,596	2,561,282
2024-2028	904,891	564,688	1,469,579
2029-2033	974,818	378,393	1,353,211
2034-2038	916,664	204,050	1,120,714
2039-2043	513,423	71,620	585,043
2044-2048	130,535	4,570	135,105
2049-2053	6,594	189	6,783
Bonds payable and interest	11,190,791	3,950,167	15,140,958
Unamortized premiums (discounts)	213,790	.....	213,790
Amount deferred or refunded	11,357	.....	11,357
Total bonds payable and interest	<u>\$ 11,415,938</u>	<u>\$ 3,950,167</u>	<u>\$ 15,366,105</u>

Annual debt service requirements for university capital improvement debt payable at June 30, 2013, are as follows (in thousands):

Year Ending June 30	Universities		
	Principal	Interest	Total
2014	\$ 43,600	\$ 37,710	\$ 81,310
2015	44,566	36,033	80,599
2016	46,369	34,249	80,618
2017	43,654	32,287	75,941
2018	44,658	30,412	75,070
2019-2023	228,813	122,028	350,841
2024-2028	199,881	73,709	273,590
2029-2033	134,958	33,267	168,225
2034-2038	51,899	11,226	63,125
2039-2043	21,466	1,796	23,262
Total capital improvement debt payable and interest	859,864	412,717	1,272,581
Unamortized premiums (discounts)	8,784		8,784
Amounts deferred or refunded	(1,326)		(1,326)
Total capital improvement debt payable and interest	<u>\$ 867,322</u>	<u>\$ 412,717</u>	<u>\$ 1,280,039</u>

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## **6. Advance Refundings and Current Refundings**

During the fiscal year ended June 30, 2013, the state took advantage of favorable conditions and issued bonds for the purpose of refunding previously issued bonds. The refundings of these bond series were made in order to obtain lower interest rates and the resulting savings in debt service payments over the life of the bonds. The economic gains obtained by these refundings are the differences between the present value of old debt service and new debt service requirements.

The proceeds of the current refundings are used to call the refunded bonds within 90 days of issuance of the refunding bonds. The proceeds of the advance refundings are deposited into irrevocable trusts and invested in direct obligations of the Federal government and/or obligations guaranteed by the Federal government. The funds deposited along with the interest to be earned will be sufficient to meet the future principal and interest payments on the refunded bonds as they become due.

Bonds legally defeased through the consummation of refunding transactions are not included in Florida's outstanding debt. Irrevocable escrow accounts held by the State Board of Administration to service the refunded bonds are reported as agency funds. The following refundings occurred during the fiscal year.

### **Advance Refundings**

#### **Governmental Activities**

State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series 2011A in the amount of \$242,240,000 along with additional funds of \$3,232,245 were used to refund \$138,445,000 of the State of Florida State Board of Education Lottery Revenue Bonds, Series 2002C maturing in the years 2014 through 2022 and \$123,645,000 of State of Florida State Board of Education Lottery Revenue Bonds, Series 2003A maturing in the years 2014 through 2023. The refunding resulted in debt savings of \$26,861,154, an economic gain of \$23,300,649, and a deferred gain on refunding of \$174,295.

State of Florida, Department of Environmental Protection Florida Forever Revenue Refunding Bonds, Series 2012A in the amount of \$156,620,000 were used to refund \$85,730,000 of the State of Florida, Department of Environmental Protection Florida Forever Revenue Bonds, Series 2003A maturing in the years 2014 through 2023 and \$89,080,000 of the State of Florida Department of Environmental Protection Florida Forever Revenue Bonds, Series 2003C maturing in the years 2014 through 2023. The refunding resulted in debt savings of \$23,781,841, an economic gain of \$21,096,216., and a deferred gain on refunding of \$810,471.

State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Refunding Bonds, 2011 Series A in the amount of \$53,785,000 were used, in part, to refund \$29,320,000 of the State of Florida Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2003 Series A maturing in the years 2014 through 2023. The refunding resulted in debt savings of \$3,625,448, an economic gain of \$3,239,822 and a deferred loss on refunding of \$275,206.

State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2012A in the amount of \$267,390,000, in part, were used along with additional funds of \$4,509,436 to refund \$243,895,000 of the State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series 2003A maturing in the years 2014 through 2033. The refunding resulted in debt savings of \$46,235,389, an economic gain of \$33,941,156, and a deferred loss on refunding of \$1,261,105.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2012 Series C in the amount of \$301,865,000 along with additional funds of \$4,038,260 were used to refund \$162,660,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2002 Series D maturing in the years 2014 through 2033 and \$162,825,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2003 Series B maturing in the years 2014 through 2033. The refunding resulted in debt savings of \$84,432,501, an economic gain of \$64,155,579 and a deferred loss on refunding of \$3,061,838.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2012 Series D in the amount of \$229,930,000 along with additional funds of \$4,001,685 were used to refund \$90,740,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2001 Series I maturing in the years 2014 through 2033 and \$162,600,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2001 Series J maturing in the years 2014 through 2033. The refunding resulted in debt savings of \$55,145,991, an economic gain of \$41,637,248 and a deferred loss on refunding of \$348,635.

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**Business-type Activities**

State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2011A in the amount of \$150,165,000, were used, in part to refund \$47,580,000 of the State of State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2003C maturing in the years 2014 through 2021. The refunding resulted in debt savings of \$3,932,726, an economic gain of \$3,422,868, and a deferred loss on refunding of \$2,605,435.

State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2012A in the amount of \$306,065,000 were used, in part, along with additional funds of \$459,392 to refund \$114,910,000 of State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2003C maturing in the years 2022 through 2033. The refunding resulted in debt savings of \$29,979,870, an economic gain of \$20,818,606, and a deferred loss on refunding of \$4,378,440.

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## Current Refundings

### Governmental Activities

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2013 Series A in the amount of \$324,625,000 along with additional funds of \$5,009,065 were used to refund \$382,985,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2003 Series A maturing in the years 2014 through 2023. The refunding resulted in debt savings of \$75,698,649, an economic gain of \$68,683,316, and a deferred loss on refunding of \$2,805,406.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2013 Series B in the amount of \$263,525,000 along with additional funds of \$4,587,817 were used to refund \$46,570,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 1996 Series B maturing in the years 2024 through 2027, \$66,515,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 1997 Series B maturing in 2028, \$40,790,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2001 Series H maturing in the years 2027 through 2032, and \$143,950,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2001 Series I maturing in the years 2014 through 2025. The refunding resulted in debt savings of \$64,980,892, an economic gain of \$50,991,523, and a deferred loss on refunding of \$898,846.

State of Florida, Board of Governors, Florida Atlantic University Parking Facility Revenue Bonds, Series 2013A in the amount of \$21,490,000, in part, along with additional funds of \$82,557 were used to refund \$3,990,000 of the State of Florida, Florida Board of Education, Florida Atlantic University Parking Facility Revenue Bonds, Series 2001 maturing in the years 2014 through 2021 and \$5,250,000 of the State of Florida, Florida Board of Education, Florida Atlantic University Parking Facility Revenue Bonds, Series 2002 maturing in the years 2014 through 2023. The refunding resulted in debt savings of \$1,231,206, an economic gain of \$1,115,025, and a deferred loss on refunding of \$74,249.

State of Florida, Board of Governors, Florida State University Research Foundation Inc. Revenue Refunding Bonds, Series 2012 in the amount of \$11,920,000 along with additional funds of \$5,085,000 were used to refund \$18,000,000 of the State of Florida, Florida Board of Education, Florida State University Research Foundation, Incorporated Revenue Bonds, Series 2001 maturing in the years 2013 through 2031. The refunding resulted in a debt savings of \$6,053,435 and an economic gain of \$3,792,528 and a deferred loss on refunding of \$0.

### Business-type Activities

State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2012A in the amount of \$306,065,000 were used, in part, along with additional funds of \$310,050 to refund \$57,395,000 of State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 1998A maturing in the years 2024 through 2027 and \$25,285,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 1999A maturing in the years 2025 through 2028. The refunding resulted in debt savings of \$19,442,496, an economic gain of \$14,363,239, and a deferred loss on refunding of \$6,097,815.

State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2013A in the amount of \$183,140,000 were used along with additional funds of \$3,587,158 to refund \$216,995,000 of the State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2003B maturing in the years 2014 through 2025. The refunding resulted in debt savings of \$46,049,233, an economic gain of \$40,590,086, and a deferred loss on refunding of \$8,231,313.

## 7. Prior-year Defeased Bonds

In prior years, the state has deposited with escrow agents in irrevocable trusts amounts sufficient to meet the debt service requirements of certain bonds. These defeased bonds are not reported as outstanding debt. Irrevocable trusts established with the State Board of Administration are reported in an agency fund. Debt considered defeased consists of the following (in thousands):

	Principal at 6/30/2013
<u>Governmental Activities</u>	
University Auxiliary Bonds	\$ 1,514
Public Education Capital Outlay Bonds	6,625
Total	<u>\$ 8,139</u>
<u>Business-type Activities</u>	
Toll Facilities	<u>\$ 34,500</u>

## 8. Arbitrage Regulations

The state complies with federal arbitrage regulations.

## 9. Direct Interest

The state's bonds are issued for the creation or continuing existence of various programs. Interest is reported in the following governmental activities as direct expenses on the Statement of Activities (in thousands):

Governmental Activities	Interest
Education:	
SBE Capital Outlay Bonds	\$ 20,053
Lottery Education Bonds	109,254
Public Education Bonds	467,885
State University System Bonds	8,311
University Auxiliary Bonds	36,988
Total Education	642,491
Natural Resources and Environment:	
Inland Protection Bonds	3,462
Everglades Restoration Bonds	6,357
Water Pollution Control Bonds	18,135
Florida Forever Bonds	70,660
Preservation 2000 Bonds	4,512
Total Natural Resources and Environment	103,126
Transportation:	
Road and Bridge Bonds (Right of Way)	87,137
State Infrastructure Bonds	3,468
Total Transportation	90,605
Total Direct Interest	\$ 836,222

## 10. Governmental Activities – Unrestricted Net Position Deficit

Governmental activities reflect a negative unrestricted net position balance of \$10.8 billion at June 30, 2013. This deficit is primarily the result of education-related bonds in which the state is responsible for the debt, but the state colleges, state universities, or the local school districts own the capital assets. Because the state does not own these capital assets, the bonded debt is not netted on the line item "Net investment in capital assets." Instead, this bonded debt is netted with unrestricted net position. Education-related bonds include SBE Capital Outlay Bonds; PECO Bonds; State University System Improvement Bonds; and Lottery Education Bonds; which have a total ending balance at June 30, 2013, of \$13.8 billion. The state has an additional \$1.0 billion in other bonds, including Florida Forever bonds in which the state does not own the related capital assets. The resources related to the payment of this debt will be provided from future revenue sources. If these bonds were removed, the adjusted unrestricted net position for governmental activities would be \$4.0 billion.

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## B. Certificates of Participation

### 1. Primary Government

The state has issued certificates of participation (original amount of \$945,800,000) to finance privately operated detention and mental health facilities. The certificates of participation's interest rates range from 3.250% - 6.85% and the last maturity date is August 1, 2029. The following is a schedule of future minimum principal and interest payments for certificates of participation for governmental activities at June 30, 2013 (in thousands):

Year Ending June 30	Principal	Interest	Total
2014	\$ 43,450	\$ 37,162	\$ 80,612
2015	44,585	35,022	79,607
2016	44,005	32,867	76,872
2017	43,390	30,777	74,167
2018	42,930	28,722	71,652
2019-2023	201,510	113,454	314,964
2024-2028	222,155	54,057	276,212
2029-2033	71,855	4,590	76,445
Total	713,880	336,651	1,050,531
Unamortized premiums (discounts)	8,044	.....	8,044
Amount deferred upon refunding	915	.....	915
Total certificates of participation payable	\$ 722,839	\$ 336,651	\$ 1,059,490

### 2. Component Units

Component units (universities and a water management district) have issued certificates of participation (original amount of \$1,229,795,000) primarily to finance academic and student facilities and construction projects for Everglades restoration. The certificates of participation's interest rates range from 2.500% to 6.000% and the last maturity date is July 1, 2040. The following is a schedule of future minimum principal and interest payments for certificates of participation for component units at June 30, 2013 (in thousands):

Year Ending June 30	Principal	Interest	Total
2014	\$ 26,340	\$ 51,615	\$ 77,955
2015	27,500	50,463	77,963
2016	28,710	49,198	77,908
2017	30,025	47,854	77,879
2018	31,435	46,442	77,877
2019-2023	180,360	208,369	388,729
2024-2028	220,760	161,472	382,232
2029-2033	275,445	102,324	377,769
2034-2038	284,120	32,231	316,351
2039-2043	3,420	292	3,712
Total	1,108,115	750,260	1,858,375
Unamortized premiums (discounts)	21,603	.....	21,603
Total certificates of participation payable	\$ 1,129,718	\$ 750,260	\$ 1,879,978

## NOTE 9 - INSTALLMENT PURCHASES, CAPITAL LEASES, ADVANCES FROM FEDERAL GOVERNMENT, AND PUBLIC-PRIVATE PARTNERSHIPS

### A. Installment Purchases

The state has a number of installment purchase contracts primarily providing for the acquisition of buildings, furniture, and equipment. At June 30, 2013, 74% of the state's installment purchase contracts for governmental activities were for buildings, and the remaining 26% for furniture and equipment. Installment purchase contracts for component units consisted of 100% of furniture and equipment. The following is a schedule of future minimum installment purchase contract payments for the primary government and component units at June 30, 2013 (in thousands):

Year Ending June 30	Primary Government		Component Units
	Governmental Activities	Business-type Activities	
2014	\$ 7,480	\$ 1,092	\$ 3,409
2015	7,292	1,092	2,783
2016	6,218	1,092	1,271
2017	5,529	1,090	652
2018	4,904	.....	53
2019-2023	16,267	.....	.....
2024-2028	6,504	.....	.....
Total	54,194	4,366	8,168
Less: Interest	(9,959)	(268)	(269)
Present value of future minimum payments	\$ 44,235	\$ 4,098	\$ 7,899

### B. Capital Leases

The state has a number of capital leases providing for the acquisition of land, buildings, and furniture and equipment. At June 30, 2013, 64% of the state's capital leases for governmental activities were for buildings, and the remaining 36% were for furniture and equipment. Capital leases for component units consisted of 50% for furniture and equipment, 45% for buildings, and the remaining 5% for land. The following is a schedule of future minimum capital lease payments for the primary government and component units at June 30, 2013 (in thousands):

Year Ending June 30	Primary Government	
	Governmental Activities	Component Units
2014	\$ 8,169	\$ 10,857
2015	5,981	11,828
2016	2,532	9,197
2017	2,524	6,863
2018	2,492	3,681
2019-2023	5,328	11,040
2024-2028	1,370	8,682
2029-2033	.....	1,663
2034-2038	.....	991
Total	28,396	64,802
Less: Interest	(4,009)	(6,013)
Present value of future minimum payments	\$ 24,387	\$ 58,789

### C. Advances from Federal Government

Continuing high levels of unemployment benefit claims payments resulted in the depletion of available fund balances in the State of Florida account in the Unemployment Compensation Trust Fund during August 2009. Section 1201 of the Social Security Act provides for Title XII advances from the Federal Unemployment Fund to those states whose trust funds are depleted to ensure the continuation of benefit payments to eligible claimants. Advances are repayable from future employer contributions. Interest accruing on outstanding balances is payable each September 30. Interest cannot be paid from state unemployment compensation fees. The American Recovery and Reinvestment Act of 2009 temporarily suspended interest on these advances through December 31, 2010. Borrowing was expected to be necessary through state fiscal year 2012-13. As of June 30, 2013, all advances have been repaid to the federal government.

(in thousands):

Federal Advance Balances at June 30,

2012 \$ 672,583

2013 \$ 0

Interest Payable on September 30,

2012 \$ 43,343

2013 \$ 0

Final interest assessment of \$9,267 was paid in May 2013.

### D. Public-Private Partnerships

Pursuant to Section 334.30, F.S., the Department of Transportation executed two 35-year, Public-Private Partnership concession agreements in March and October of 2009 for the design, build, finance, operation and maintenance of the Interstate 595 Corridor and the Port of Miami Tunnel. Payments consist of construction-period payments, lump-sum final acceptance payments upon completion of construction, and annual performance-based availability payments to be made during the 30-year operations and maintenance period. Annual availability payments are all inclusive payments consisting of unpaid portions of construction costs, annual operations costs, and maintenance expenses. The payment schedule below is an estimate of unpaid construction payments during the term of the agreements based on the percentage of completion of the projects at June 30, 2013. The annual availability payments are performance-based and are subject to change based on a fixed percentage as defined in the agreement and on the Consumer Price Index, which could impact the payment schedule. The projects are expected to be completed in 2014. The Department has six other public-private partnership agreements for the design, build, and finance; and two other agreements for the build and finance of various transportation projects. The remaining unpaid construction costs for these eight agreements represent 33%, 22%, and 18%, respectfully, of payments due in 2014, 2015, and 2016. The following is a schedule of future maximum payments for the primary government at June 30, 2013 (in thousands):

Year Ending June 30	Primary Government
	Governmental Activities
2014	\$ 327,507
2015	519,967
2016	182,452
2017	175,142
2018	255,322
2019-2023	413,686
2024-2028	474,090
2029-2033	550,251
2034-2038	631,690
2039-2043	730,110
2044-2045	91,013
Total	4,351,230
Less: Interest	(2,071,495)
Present value of future maximum payments	\$ 2,279,735

## NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2013, are as follows (in thousands):

	Balance July 1, 2012	Restatements and Adjustments	Additions	Deletions	Balance June 30, 2013	Due Within One Year (Current)
<b>Governmental Activities</b>						
Bonds payable:						
Road and Bridge Bonds	\$ 2,020,110	\$ .....	\$ 234,715	\$ 306,540	\$ 1,948,285	\$ 66,005
SBE Capital Outlay Bonds	558,925	.....	.....	102,250	456,675	76,185
Lottery Education Bonds	2,787,038	.....	89,835	447,751	2,429,122	194,105
Public Education Bonds	10,825,600	.....	1,119,945	1,694,355	10,251,190	427,045
State University System Bonds	195,720	.....	.....	17,335	178,385	12,835
University Auxiliary Bonds	838,852	.....	84,120	65,780	857,192	43,226
Inland Protection Bonds	84,770	.....	.....	5,605	79,165	5,885
Save Our Coast Bonds	.....	.....	.....	.....	.....	.....
Preservation 2000 Bonds	69,885	.....	.....	69,885	.....	.....
Florida Forever Bonds	1,642,355	.....	156,620	439,925	1,359,050	85,345
Water Pollution Control Bonds	501,875	.....	.....	34,155	467,720	34,840
State Infrastructure Bank Bonds	80,575	.....	.....	9,955	70,620	10,710
Everglades Restoration Bonds	204,505	.....	46,445	10,485	240,465	12,615
Florida Facilities Pool Bonds	354,025	.....	.....	21,435	332,590	22,480
	20,164,235	.....	1,731,680	3,225,456	18,670,459	991,276
Unamortized bond premiums discounts	808,740	.....	257,052	193,937	871,855	.....
Amounts deferred on refunding	(141,754)	.....	(7,771)	(19,816)	(129,709)	.....
Total bonds payable	20,831,221	.....	1,980,961	3,399,577	19,412,605	991,276
Certificates of participation payable	766,222	.....	.....	43,383	722,839	43,450
Deposits	618,448	.....	1,124,764	1,083,484	659,728	495,714
Compensated absences	793,654	(70)	329,812	359,669	763,727	198,649
Claims payable	3,874,962	.....	2,141,891	1,847,163	4,169,690	2,269,675
Installment purchases/capital leases	59,539	.....	17,816	8,733	68,622	12,792
Public-private partnership agreements	1,649,098	.....	739,215	108,578	2,279,735	232,166
Advances - Due to Unclaimed Prop. TF	755,925	.....	55,698	.....	811,623	.....
Other Postemployment Benefits	687,820	.....	221,184	.....	909,004	.....
Other liabilities	236,154	(4,099)	.....	196,982	35,073	.....
<b>Total Governmental Activities</b>	<b>\$ 30,273,043</b>	<b>\$ (4,169)</b>	<b>\$ 6,611,341</b>	<b>\$ 7,047,569</b>	<b>\$ 29,832,646</b>	<b>\$ 4,243,722</b>

Long-term liabilities for governmental activities are generally liquidated by the applicable governmental funds and/or internal service funds. Specifically, the special revenue funds, capital projects funds, and/or internal service funds will liquidate the certificates of participation payable, installment purchase contracts, and capital lease obligations. The applicable special revenue funds and internal service funds will reduce deposits when such monies are earned. The governmental and internal services funds that account for employees' salaries and wages will liquidate the compensated absences liabilities. The General Fund, Health and Family Services Fund, and the non-major special revenue fund will generally liquidate claims payable. The applicable special revenue funds and internal service funds, as well as the debt service fund, will liquidate obligations to other governments. The nonmajor special revenue funds will generally liquidate other liabilities. Other Postemployment Benefits (OPEB) related to all governmental funds are reported above. The state does not currently fund the OPEB liability so it is non-liquidating. Refer to Note 6 for additional information on OPEB. The Transportation-Governmental Fund will liquidate the public-private partnership agreements liability from annual appropriations. Refer to Note 9 for additional information on the public-private partnership agreements. Space Florida, a blended component unit was previously reported as a governmental, special revenue fund. It was subsequently determined to be an enterprise fund. The restatements and adjustments column in the Governmental and Business-Type Changes in Long-Term Liabilities reflects the change in reporting long-term liabilities for this entity.

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Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2013, are as follows (in thousands):

	Balance July 1, 2012	Restatements and Adjustments	Additions	Deletions	Balance June 30, 2013	Due Within One Year (Current)
<b>Business-type Activities</b>						
Bonds payable:						
Toll Facility Bonds	\$ 2,892,740	\$ .....	\$ 489,205	\$ 575,505	\$ 2,806,440	\$ 118,960
Florida Hurricane Catastrophe Fund Bonds	5,097,715	.....	2,000,000	3,796,795	3,300,920	300,000
	7,990,455	.....	2,489,205	4,372,300	6,107,360	418,960
Unamortized bond premiums (discounts)	93,960	.....	52,575	20,656	125,879	.....
Amounts deferred on refunding	(28,706)	.....	(21,314)	(9,265)	(40,755)	.....
Total bonds payable	8,055,709	.....	2,520,466	4,383,691	6,192,484	418,960
Accrued prize liability	649,508	.....	2,856,065	2,945,101	560,472	217,030
Deposits	31,514	.....	8,176	617	39,073	15,329
Compensated absences	20,504	70	11,473	10,677	21,370	5,090
Claims payable	.....	.....	206,945	.....	206,945	206,945
Tuition and housing benefits payable	11,554,966	.....	.....	532,917	11,022,049	677,233
Advances from Federal Government	672,583	.....	.....	672,583	.....	.....
Installment purchases	.....	.....	4,098	.....	4,098	977
Other Postemployment Benefits	11,981	.....	4,281	.....	16,262	.....
Other liabilities	3,761	4,099	1,121	4,687	4,294	.....
<b>Total Business-type Activities</b>	<b>\$ 21,000,526</b>	<b>\$ 4,169</b>	<b>\$ 5,612,625</b>	<b>\$ 8,550,273</b>	<b>\$ 18,067,047</b>	<b>\$ 1,541,564</b>
<b>Component Units</b>						
Bonds payable	\$ 10,591,481	\$ .....	\$ 2,113,064	\$ 1,288,607	\$ 11,415,938	\$ 1,374,932
Deposits	1,665,071	.....	15,258	18,802	1,661,527	1,594,213
Compensated absences	588,731	.....	344,627	321,355	612,003	84,487
Installment purchases/capital leases	69,784	.....	12,435	15,531	66,688	12,871
Claims payable	131,136	.....	38,805	73,873	96,068	32,868
Certificates of participation payable	1,156,587	.....	158,103	184,972	1,129,718	26,340
Due to other governments/primary	843,880	.....	91,951	66,509	869,322	43,600
Other liabilities	2,231,076	.....	1,319,123	1,315,673	2,234,526	196,025
<b>Total Component Units</b>	<b>\$ 17,277,746</b>	<b>\$ .....</b>	<b>\$ 4,093,366</b>	<b>\$ 3,285,322</b>	<b>\$ 18,085,790</b>	<b>\$ 3,365,336</b>

**NOTE 11 - INTERFUND BALANCES AND TRANSFERS**

At June 30, 2013, amounts to be received or paid with current available resources are reported as due from or due to other funds, whereas the noncurrent portion is reported as advances to or advances from other funds. Interfund balances at June 30, 2013, consist of the following (in thousands):

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)				
	Governmental Activities				
	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
<b>Governmental Activities</b>					
General Fund	\$ .....	\$ 3,272	.....	\$ 104,461	\$ 8,769
Environment, Recreation and Conservation	9,347	.....	.....	782	13,963
Public Education	64	.....	.....	1,907	.....
Health and Family Services	11,434	1	.....	.....	1,490
Transportation	13,257	3,175	.....	217	.....
Nonmajor	57,671	2,164	12,744	1,867	27,674
Internal Service Funds	733	52	.....	262	307
<b>Business-type Activities</b>					
Transportation	106	.....	.....	.....	112,467
Lottery	26	.....	76,111	.....	.....
Hurricane Catastrophe Fund	.....	.....	.....	.....	.....
Prepaid College Program	.....	.....	.....	.....	.....
Reemployment Assistance	311	.....	.....	.....	.....
Nonmajor	5,539	.....	.....	618	.....
<b>Fiduciary Funds</b>					
Private-purpose Trust Funds	31	.....	1,059	.....	.....
Pension and Other Employee Benefits Trust Funds	7	.....	.....	4	.....
Agency Funds	96,315	2	2,429	1,386	3,579
Investment Trust Funds	.....	.....	.....	.....	.....
<b>Total</b>	<b>\$ 194,841</b>	<b>\$ 8,666</b>	<b>\$ 92,343</b>	<b>\$ 111,504</b>	<b>\$ 168,249</b>

(Continued Below)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)	
	Governmental Activities	
	Nonmajor	Internal Service Funds
<b>Governmental Activities</b>		
General Fund	\$ 13,436	\$ 5,558
Environment, Recreation and Conservation	304	433
Public Education	160	298
Health and Family Services	6,972	22,277
Transportation	21,268	2,387
Nonmajor	6,286	2,838
Internal Service Funds	81	615
<b>Business-type Activities</b>		
Transportation	.....	.....
Lottery	8	48
Hurricane Catastrophe Fund	.....	.....
Prepaid College Program	.....	2
Reemployment Assistance	1,460	.....
Nonmajor	1,884	181
<b>Fiduciary Funds</b>		
Private-purpose Trust Funds	750	.....
Pension and Other Employee Benefits Trust Funds	.....	9
Agency Funds	5	.....
Investment Trust Funds	.....	.....
<b>Total</b>	<b>\$ 52,614</b>	<b>\$ 34,646</b>

(Continued next page)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)				
	Business-type Activities				
	Transportation	Lottery	Prepaid College Program	Reemployment Assistance	Nonmajor
<b>Governmental Activities</b>					
General Fund	\$ .....	\$ 1	\$ .....	\$ 1,378	\$ 687
Environment, Recreation and Conservation	.....	.....	.....	88	.....
Public Education	.....	.....	.....	3	.....
Health and Family Services	.....	.....	.....	470	116
Transportation	181	.....	.....	55	.....
Nonmajor	.....	.....	.....	345	15
Internal Service Funds	.....	.....	.....	16	.....
<b>Business-type Activities</b>					
Transportation	.....	.....	.....	.....	.....
Lottery	.....	.....	.....	12	4
Hurricane Catastrophe Fund	.....	.....	.....	.....	198
Prepaid College Program	.....	.....	.....	.....	.....
Reemployment Assistance	.....	.....	.....	.....	.....
Nonmajor	.....	.....	.....	52	.....
<b>Fiduciary Funds</b>					
Private-purpose Trust Funds	.....	.....	7,834	.....	1
Pension and Other Employee Benefits Trust Funds	.....	.....	.....	2	5,828
Agency Funds	640	.....	.....	215	20
Investment Trust Funds	.....	.....	.....	.....	51
<b>Total</b>	<b>\$ 821</b>	<b>\$ 1</b>	<b>\$ 7,834</b>	<b>\$ 2,636</b>	<b>\$ 6,920</b>

(Continued below)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)			
	Fiduciary Funds			
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Agency Funds	Total
<b>Governmental Activities</b>				
General Fund	\$ .....	\$ .....	\$ 60,037	\$ 197,599
Environment, Recreation and Conservation	.....	.....	.....	24,917
Public Education	.....	.....	.....	2,432
Health and Family Services	.....	.....	260	43,020
Transportation	.....	.....	8,262	48,802
Nonmajor	.....	11	66	111,681
Internal Service Funds	.....	850	30,906	33,822
<b>Business-type Activities</b>				
Transportation	.....	.....	2	112,575
Lottery	.....	.....	.....	76,209
Hurricane Catastrophe Fund	.....	.....	.....	198
Prepaid College Program	1	.....	.....	3
Reemployment Assistance	.....	.....	694	2,465
Nonmajor	.....	.....	.....	8,274
<b>Fiduciary Funds</b>				
Private-purpose Trust Funds	.....	.....	.....	9,675
Pension and Other Employee Benefits Trust Funds	.....	17,784	.....	23,634
Agency Funds	.....	.....	.....	104,591
Investment Trust Funds	.....	.....	.....	51
<b>Total</b>	<b>\$ 1</b>	<b>\$ 18,645</b>	<b>\$ 100,227</b>	<b>\$ 799,948</b>

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands)			
	Governmental Activities		Business-type Activities	
	General Fund	Transportation	Health & Family Services	Transportation
<b>Governmental Activities</b>				
General Fund	\$ .....	\$ 100	\$ .....	\$ .....
Public Education	.....	.....	.....	.....
Nonmajor	625	.....	.....	.....
Internal Service Funds	1,978	800	.....	.....
<b>Business-type Activities</b>				
Transportation	.....	206,420	.....	.....
<b>Total</b>	<b>\$ 2,603</b>	<b>\$ 207,320</b>	<b>\$ .....</b>	<b>\$ .....</b>

(Continued below)

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands)	
	Fiduciary Funds	
	Private-purpose Trust Funds	Total
<b>Governmental Activities</b>		
General Fund	\$ .....	\$ 100
Public Education	811,623	811,623
Nonmajor	.....	625
Internal Service Funds	.....	2,778
<b>Business-type Activities</b>		
Transportation	.....	206,420
<b>Total</b>	<b>\$ 811,623</b>	<b>\$ 1,021,546</b>

During the course of operations, there are numerous transactions between funds within the State. Interfund transfers during the year are as follows (in thousands):

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)				
	Governmental Activities				
	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
<b>Governmental Activities</b>					
General Fund	\$ .....	\$ 680,710	\$ .....	\$ 1,734,555	\$ 184,090
Environment, Recreation and Conservation	141,202	.....	.....	2,747	.....
Public Education	591	37	.....	10,459	.....
Health and Family Services	37,112	.....	210,357	.....	33,693
Transportation	255,141	24,314	.....	525	.....
Nonmajor	209,292	50,414	285,101	38,882	1,040,373
Internal Service Funds	5,804	709	4	32	793
<b>Business-type Activities</b>					
Transportation	.....	.....	.....	.....	22,103
Lottery	8	.....	1,424,307	.....	.....
Hurricane Catastrophe Fund	.....	.....	.....	.....	.....
Prepaid College Program	.....	.....	.....	.....	.....
Reemployment Assistance	2	.....	.....	.....	.....
Nonmajor	77,858	.....	203	3,888	.....
<b>Fiduciary Funds</b>					
Private-purpose Trust Funds	22	.....	56	195	.....
Pension and Other Employee Benefits Trust Funds	2,337	.....	.....	.....	.....
Investment Trust Funds	.....	.....	.....	.....	.....
<b>Total</b>	<b>\$ 729,369</b>	<b>\$ 756,184</b>	<b>\$ 1,920,028</b>	<b>\$ 1,791,283</b>	<b>\$ 1,281,052</b>

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)	
	Governmental Activities	
	Nonmajor	Internal Service Funds
<b>Governmental Activities</b>		
General Fund	\$ 341,313	\$ .....
Environment, Recreation and Conservation	460,103	.....
Public Education	1,473,003	.....
Health and Family Services	168,307	.....
Transportation	491,342	.....
Nonmajor	184,306	2,726
Internal Service Funds	7,132	.....
<b>Business-type Activities</b>		
Transportation	.....	.....
Lottery	147	.....
Hurricane Catastrophe Fund	10,000	.....
Prepaid College Program	.....	.....
Reemployment Assistance	17,201	.....
Nonmajor	15,297	.....
<b>Fiduciary Funds</b>		
Private-purpose Trust Funds	2,768	.....
Pension and Other Employee Benefits Trust Funds	75	22,650
Investment Trust Funds	.....	.....
<b>Total</b>	<b>\$ 3,170,994</b>	<b>\$ 25,376</b>

(Continued next page)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)			
	Business-type Activities			
	Transportation	Lottery	Reemployment Assistance	Nonmajor
<b>Governmental Activities</b>				
General Fund	\$ 282	\$ .....	\$ 5,742	\$ 1,732
Environment, Recreation and Conservation	.....	.....	312	.....
Public Education	.....	.....	31	.....
Health and Family Services	.....	.....	2,268	2,582
Transportation	16,275	.....	249	.....
Nonmajor	.....	.....	1,529	5,553
Internal Service Funds	.....	.....	90	1
<b>Business-type Activities</b>				
Transportation	.....	.....	.....	.....
Lottery	.....	.....	20	.....
Hurricane Catastrophe Fund	.....	.....	.....	.....
Prepaid College Program	.....	.....	.....	.....
Reemployment Assistance	.....	.....	.....	.....
Nonmajor	.....	.....	260	.....
<b>Fiduciary Funds</b>				
Private-purpose Trust Funds	.....	.....	.....	.....
Pension and Other Employee Benefits Trust Funds	.....	.....	2	7,925
Investment Trust Funds	.....	.....	.....	.....
<b>Total</b>	<b>\$ 16,557</b>	<b>\$ .....</b>	<b>\$ 10,503</b>	<b>\$ 17,793</b>

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)			
	Fiduciary Funds			
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Total
<b>Governmental Activities</b>				
General Fund	\$ .....	\$ .....	\$ .....	\$ 2,948,424
Environment, Recreation and Conservation	.....	.....	.....	604,364
Public Education	.....	.....	.....	1,484,121
Health and Family Services	.....	.....	.....	454,319
Transportation	.....	.....	.....	787,846
Nonmajor	.....	.....	.....	1,818,176
Internal Service Funds	.....	.....	.....	14,565
<b>Business-type Activities</b>				
Transportation	.....	.....	.....	22,103
Lottery	.....	.....	.....	1,424,482
Hurricane Catastrophe Fund	.....	.....	.....	10,000
Prepaid College Program	938	.....	.....	938
Reemployment Assistance	.....	.....	.....	17,203
Nonmajor	.....	.....	.....	97,506
<b>Fiduciary Funds</b>				
Private-purpose Trust Funds	.....	.....	.....	3,041
Pension and Other Employee Benefits Trust Funds	.....	845,463	.....	878,452
Investment Trust Funds	.....	.....	110,614	110,614
<b>Total</b>	<b>\$ 938</b>	<b>\$ 845,463</b>	<b>\$ 110,614</b>	<b>\$ 10,676,154</b>

**NOTE 12 - RISK MANAGEMENT****A. State Risk Management Trust Fund**

The State Risk Management Trust Fund provides property insurance coverage for state buildings and contents against loss from fire, lightning, sinkholes, flood, and other hazards customarily insured by extended coverage and loss from the removal of personal property from such properties when endangered by covered perils. The property insurance program self-insures the first \$2 million per occurrence deductible which applies to all perils named above except named windstorm and flood. The property insurance program also self-insures the first \$2 million per occurrence deductible for named windstorm and flood but with an additional annual aggregate retention of \$40 million. Commercial excess insurance is purchased for losses over the self-insured retention up to \$50 million per occurrence for named windstorm and flood losses through February 15, 2014, and \$200 million per occurrence for named perils other than named wind and flood.

The Fund's estimated liability for unpaid property insurance claims at the fiscal year-end is determined by an actuarial method and includes an amount for losses incurred but not yet reported. The amount of claims paid for property claims did not exceed insurance coverage for each of the last three years. Changes in the Fund's property insurance claims liability amount for the fiscal years ended June 30, 2012, and June 30, 2013, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2012	\$ 189	\$ 1,777	\$ (511)	\$ 1,455
June 30, 2013	\$ 1,455	\$ (315)	\$ (848)	\$ 292

The State Risk Management Trust Fund also provides casualty insurance coverage for the risks of loss related to Federal civil rights and employment actions, workers' compensation, court-awarded attorney fees, automobile liability, and general liability. The state is self-insured for all claims associated with liability risks and workers' compensation coverage.

The estimated liability for unpaid casualty and property insurance claims at June 30, 2013, was \$1.15 billion. This amount was determined through an actuarial method based on historical paid and incurred losses and includes an amount for losses incurred but not yet reported. In addition, this amount includes the present value of workers' compensation indemnity claims liability of \$287.2 million, discounted using a 4 percent annual percentage rate per Section 625.091, Florida Statutes. The undiscounted workers' compensation indemnity claims liability is \$386.4 million.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2012, and June 30, 2013, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2012	\$ 1,219,581	\$ 111,997	\$ (130,441)	\$ 1,201,137
June 30, 2013	\$ 1,201,137	\$ 76,257	\$ (130,012)	\$ 1,147,382

Actual current year claims and changes in estimate for casualty lines of coverage for the fiscal year ended June 30, 2013, decreased by \$35.7 million, as compared to the previous fiscal year.

**B. Employee and Retiree Health Insurance Funds**

Employees and retirees may obtain health care services through participation in the state's group health insurance plan or through membership in a health maintenance organization plan under contract with the state. The state's risk financing activities associated with state group health insurance, such as the risk of loss related to medical and prescription drug claims,

are administered through the State Employees' Group Health Self-Insurance Trust Fund, an internal service fund. It is the practice of the state not to purchase commercial coverage for the risks of losses covered by this program.

The program's estimated fiscal year-end liability includes an amount for claims that have been incurred but not reported, which is based on analyses of historical data performed by both the state and its contractors. Changes in claims liability amounts for the fiscal years ended June 30, 2012, and June 30, 2013, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2012	\$ 77,106	\$ 1,184,800	\$ (1,110,966)	\$ 150,940
June 30, 2013	\$ 150,940	\$ 1,482,911	\$ (1,495,336)	\$ 138,515

During the year, for program operations, both employee and retiree participation in the state group health insurance program are accounted for in the State Employees' Group Health Self-Insurance Trust Fund. Retiree participation in the program is considered an Other Postemployment Benefit (OPEB) for purposes of this report. See Note 6, Section B regarding OPEB for additional information. Asset and liability balances related to retiree participation in the program as of June 30, 2013, were transferred from the State Employees' Group Health Self-Insurance Trust Fund and reported in Other Agency Funds in accordance with the requirements of Governmental Accounting Standards Board Codification Section Po50, *Postemployment Benefit Plans Other Than Pension Plans – Defined Benefit*.

**NOTE 13 – FLORIDA PREPAID COLLEGE PROGRAM**

The Stanley G. Tate Florida Prepaid College Program was created in 1987 to provide a medium through which the costs of tuition, tuition differential fee, local fees, and dormitory residence may be paid in advance of enrollment in a state postsecondary institution at a rate lower than the projected corresponding cost at the time of actual enrollment. The Program is administered by the Florida Prepaid College Board and the State of Florida guarantees the obligations of the Board to qualified beneficiaries if moneys in the Program are insufficient. The Program is accounted for in an enterprise fund. An actuarial study is performed to determine the Program's funding status. The decrease in the actuarial present value of future contract benefits from the prior year is primarily due to the increase in the updated yield curve. Additional information as of June 30, 2013, is as follows:

Actuarial present value of future contract benefits and expenses payable	\$ 11,022,049,154
Net position available	\$ 11,856,498,570
Net position as a percentage of future contract benefits and expenses obligation	107.6%

## NOTE 14 –INSURANCE ENTERPRISES

The State of Florida has established multiple enterprises that provide insurance, reinsurance, and guarantee services. The primary risk exposures to the state relate to catastrophic hurricane losses, access to liquidity from credit markets, and ultimate dependence on public assessments.

### A. FLORIDA HURRICANE CATASTROPHE FUND

The Florida Hurricane Catastrophe Fund (FHCF) was created in 1993 by the Florida Legislature, as a state fund administered by the State Board of Administration (SBA) to provide a source of reimbursement to most residential property insurers for catastrophic hurricane losses, thereby creating additional insurance capacity. Most admitted residential property insurers writing FHCF covered policies are required to purchase mandatory reimbursement coverage with the FHCF. Chapter 2007-1, Laws of Florida, amended, in part, the FHCF statutes to require the FHCF to provide optional additional coverage with the Temporary Increase in Coverage Limit Options (TICL coverage which expands an insurer's coverage above its mandatory coverage) and the \$10 million coverage for certain statutorily designated companies.

The mandatory coverage covers a portion of hurricane losses in excess of an insurer's share of an industry wide retention, up to the lesser of either the statutory limit or the actual claims-paying capacity of the FHCF. For the contract year ending May 31, 2013, the industry retention for determining each insurer's retention was \$7.389 billion per hurricane for the two hurricanes with the largest losses and \$2.463 billion for each additional hurricane in the contract year. The aggregate coverage capacity for the contract year (in excess of retention) was \$17.0 billion. The statute requires that an actuarially indicated formula developed by an independent actuary be used to calculate the reimbursement premiums collected for the mandatory coverage.

The optional TICL coverage covers a portion of hurricane losses in excess of the mandatory coverage, up to the lesser of either \$12 billion or the actual claims-paying capacity of the FHCF. In 2009, the statute was amended to phase out the entire \$12 billion in TICL coverage at a rate of \$2 billion per year for 6 years, to completely phase out TICL coverage by 2014. The TICL coverage capacity for the contract year ending May 31, 2013, was \$4 billion.

The maximum reimbursable claims for the optional coverage and the mandatory coverage (in the contract year ending May 31, 2013) were \$25 billion.

The SBA contracts with each insurer writing covered policies in the state to reimburse the insurer for a percentage of losses incurred from covered events. The obligation of the SBA with respect to all contracts covering a particular contract year shall not exceed the actual claims-paying capacity (as determined by the FHCF's bond underwriters and financial adviser). The FHCF has a fiscal year end of June 30 and its reimbursement contracts expire on May 31. As of June 30, 2013, the FHCF had net position of \$8.30 billion, including net position of the State Board of Administration Finance Corporation formerly known as the FHCF Finance Corporation.

If available resources and pre-catastrophe debenture financing are not adequate to satisfy reimbursement claims, the State Board of Administration Finance Corporation may issue revenue bonds secured by emergency assessments. The SBA has the sole authority to direct the Florida Office of Insurance Regulation (OIR) and the Florida Surplus Lines Service Office to levy assessments on most property and casualty insurance policy premiums on behalf of the FHCF. Aggregate assessments may not exceed 10% and assessments in relation to losses in one contract year may not exceed 6%. As of June 30, 2013, the FHCF is levying assessments of 1.3%. This assessment authority is neither related to nor restricted by the assessments levied by either Citizens Property Insurance Corporation (Citizens), a discretely presented component unit, or the Florida Insurance Guarantee Association (FIGA).

To build up cash resources and reduce the reliance on post-event bonding, legislation was passed in 2009 that allows for a "cash build up" factor of 5% to be included in rates for the mandatory coverage. This factor increases each year by 5% until it ultimately reaches 25% in year five and thereafter. This provision was designed to address the liquidity needs of the FHCF over the long run by allowing it to accelerate the build-up of its cash balance for paying claims.

Hurricane losses represent the estimated ultimate cost of all reported and unreported claims during the year that exceed the participating insurers' individual company retention levels. The estimates for current year and prior year losses are continually reviewed and adjusted as experience develops or new information becomes known and such adjustments are included in current operations. The State of Florida was not hit by any hurricanes during the 2012 season. As a result of ongoing loss development and actuarial analysis, estimates for prior years' hurricane losses were reduced by \$178.5 million, which resulted in a decrease in expenses (and reserves) for the change in actuarial value of the unreported losses for the year ended June 30, 2013. In May, 2010, the Corporation issued post-event Series 2010A Revenue Bonds in the amount of \$675.9 million. These bond proceeds and their investment earnings will enhance the Fund's ability to make payments to participating insurers for losses resulting from the 2005 hurricane season. The funding for these bonds will come from emergency assessments on the direct written premium for all property and casualty lines of business in Florida including property and casualty business of surplus lines insurers, but not including workers' compensation or medical malpractice premiums. An Order was issued by OIR concurrently with the issuance of the 2010A Bonds to supersede the existing 1% emergency assessment with a 1.3% emergency assessment. The increased assessment is effective on all policies issued or renewed on or after January 1, 2011. These bonds will mature, without prior right of redemption, on July 1 of the following years and bear interest at rates ranging from 3.5% to 5.0% as follows (in thousands):

2015	\$ 15,775	3.5%
2015	5,765	4.0
2015	320,915	5.0
2016	17,990	3.75
2016	<u>315,475</u>	5.0
	<u>\$ 675,920</u>	

## B. CITIZENS PROPERTY INSURANCE CORPORATION

Citizens Property Insurance Corporation (Citizens) was established on August 1, 2002, pursuant to Section 627.351(6), Florida Statutes (the Act), to provide certain residential and non-residential property insurance coverage to qualified risks in the State of Florida under circumstances specified in the Act. The original intent of the legislation was that property insurance be provided through Citizens to applicants who are in good faith entitled to procure insurance through the voluntary market but are unable to do so. Citizens results from a combination of the Florida Residential Property and Casualty Joint Underwriting Association (the FRPCJUA) and the Florida Windstorm Underwriting Association (the FWUA). The FRPCJUA was renamed Citizens and the FWUA's rights, obligations, assets, liabilities and all insurance policies were transferred to Citizens. Unlike private insurers offering coverage through the admitted market, Citizens is not required to obtain or to hold a certificate of authority issued by the Florida Office of Insurance Regulation (the Office). For purposes of its tax-exempt status, Citizens is considered a political subdivision and an integral part of the State of Florida. As such, Citizens' operations may be affected by the legislative process. In 2007, the Act was amended to recognize Citizens' status as a governmental entity and the necessity of Citizens to provide insurance that was affordable.

Citizens operates pursuant to a Plan of Operation (the Plan) approved by the Financial Services Commission (the Commission) of the State of Florida. The Commission is composed of the Governor, the Chief Financial Officer, the Attorney General and the Commissioner of Agriculture of the State. Prior to October 1, 2006, the Plan was subject to the approval of the Office.

Pursuant to the Act, all revenues, expenses, assets and liabilities of Citizens shall remain divided into three separate accounts: the Personal Lines Account, the Commercial Lines Account and the High-Risk Account. A brief history of each account follows:

**Personal Lines Account history** - The FRPCJUA began operations on January 21, 1993, after Hurricane Andrew, pursuant to Section 627.351(6), Florida Statutes (F.S.), to provide certain residential property insurance coverage to qualified risks in the State of Florida (on a statewide basis) to applicants who were in good faith entitled to procure insurance through the private market but were unable to do so. Residential property coverage consists of the types of coverage provided to homeowners, mobile homeowners, tenants, condominium unit owners, and similar policies. The policies provide coverage for all perils covered under a standard residential policy, subject to certain underwriting requirements. Such policies exclude windstorm coverage on property within eligible areas. This portion of the FRPCJUA's activities became the Personal Lines Account under Citizens.

**Commercial Lines Account history** – The Florida Property and Casualty Joint Underwriting Association (FPCJUA) was activated in early 1994 to provide commercial residential coverage, i.e., coverage for condominium associations, apartment buildings and homeowner associations, to organizations unable to obtain such coverage from a private insurer. During 1995, legislation was enacted to transfer all obligations, rights, assets, and liabilities related to commercial residential coverage from the FPCJUA to the FRPCJUA. The legislation required that the premiums, losses, assets and liabilities be accounted for separately from the FRPCJUA's personal residential business. These policies excluded windstorm coverage on properties within eligible areas. This portion of the FRPCJUA's activities became the Commercial Lines Account under Citizens. In 2006, the FPCJUA was re-activated to provide commercial non-residential wind only coverage. In 2007, legislation was enacted which resulted in the transfer and assumption of the FPCJUA's commercial non-residential policies by Citizens. These policies were added to the Commercial Lines Account.

**Coastal Account history** – The FWUA, which was a residual market mechanism for windstorm and hail coverage in selected areas of the State, was created by an act of the Florida Legislature in 1970 pursuant to Section 627.351(2), F.S. FWUA was a Florida unincorporated association, the members of which were all property insurance companies holding a certificate of authority to provide property insurance coverage in the State. FWUA provided policies of windstorm insurance for property owners within the eligible areas who were unable to obtain such coverage from private insurers. Insured properties include personal residential, commercial residential and commercial non-residential properties. This portion of the FWUA's activities became the High Risk Account under Citizens. In 2007, Citizens received authority to issue multi-peril policies in the High-Risk Account.

Citizens' enabling legislation and Plan of Operations established a process by which Citizens may levy assessments to recover any deficits incurred in a given year. Citizens' determination of the amount of assessment is subject to the verification of the mathematical calculation by the Office of Insurance Regulation. Citizens' ability to assess provides some assurance of its financial stability.

## ASSESSMENTS

Citizens' enabling legislation and the Plan establish a process by which Citizens is required to levy assessments to recover deficits incurred in a given plan year for any of its three accounts. Deficits are calculated separately, and assessments are accordingly levied separately, for each of the three accounts. The Plan provides for deficits to be determined in accordance with accounting principles generally accepted in the United States adjusted for certain items.

In the event of a Plan Year Deficit in an Account, Citizens must first levy an assessment against the premium of each Citizens policyholder (the "Citizens Policyholder Surcharge") in each of Citizens' Accounts, as a uniform percentage of the premium of the policy of up to 15% of such premium. Citizens Policyholder Surcharges are not subject to commissions, fees, or premium taxes; however, failure to pay a Citizens Policyholder Surcharge will be treated as failure to pay premiums. If the Citizens Policyholder Surcharge is insufficient to eliminate the deficit in an Account, Citizens would then levy a Regular Assessment on Assessable Insurers and Assessable Insureds, each as defined herein. The Regular Assessment is applied as a uniform percentage of the premium of the policy up to 2% of such premium of the Coastal Account only. Effective July 1, 2012, the Regular Assessment was eliminated for the Personal Lines Account and the Commercial Lines Account and was reduced from 6% to 2% for the Coastal Account.

Regular Assessments are levied on Assessable Insurers, as defined in Section 627.351(6), F.S., based upon each Assessable Insurer's share of direct written premium for the subject lines of business in the State of Florida for the calendar year preceding the year in which the deficit occurred. Regular Assessments on Assessable Insureds, collectively, are based on the ratio of the amount being assessed for the Coastal Account to the aggregate statewide direct written premiums for the subject lines of business for the preceding year.

If the deficit in any year in any Account is greater than the amount that may be recovered through Citizens' Policyholder Surcharges and Regular Assessments, Citizens is required to levy any remaining Plan Year Deficit as an Emergency Assessment. An Emergency Assessment is to be collected by all Assessable Insurers, Surplus Lines Agents and Citizens from policyholders upon the issuance or renewal of policies for Subject Lines of Business for as many years as necessary to cover the Plan Year Deficit in the Account. The primary difference between the assessment base for Regular Assessments and Emergency Assessments is the inclusion of Citizens' direct written premium in the assessment base for Emergency Assessments.

For purposes of Regular Assessments and Emergency Assessments, the "Subject Lines of Business" are all lines of property and casualty insurance, including automobile lines, but excluding accident and health, workers' compensation, and medical

malpractice insurance, and also excluding insurance under the National Flood and Federal Crop insurance programs. The Regular Assessment base excludes Citizens policies (while the Emergency Assessment base includes Citizens policies). Prior to the enactment of the 2007 Legislation, the Regular Assessment base for each Account included only property lines of business.

### **C. FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.**

The Florida Insurance Guaranty Association, Inc. (the Association), a not-for-profit corporation, was established by the Florida Legislature through the Florida Insurance Guaranty Act of 1970 (the Act). The Association was created to provide a mechanism for the payment of covered claims of insolvent insurers and to assist in the detection and prevention of insurers' insolvencies. The Association operates under the supervision and approval of a board of directors, comprised of eight persons, recommended by member insurers pursuant to Section 631.56, F.S., and subsequently appointed by the Florida Department of Financial Services.

The members of the Association are all insurers that hold a certificate of authority to provide property and casualty coverage in the State of Florida.

The funding of the Association's activities is provided by distributions from the estates of insolvent insurers and assessments of members. The assessments are calculated and, as considered necessary, levied against member insurers on the basis of net direct written premiums in the state of Florida in the classes protected by the Act. The Association obtains the amount of the net direct written premiums, by company and by class of protection, to use as the basis for assessment calculations. The maximum regular assessment rate is 2%. In addition to the regular assessment, during 2006, the Florida Legislature granted the Association the authority to levy an emergency assessment up to an additional 2% of net direct written premiums for the account specified in Section 631.55(2)(b), F.S., to pay covered claims of insurers rendered insolvent by the effects of a hurricane. Also in 2006, the Association was granted the authority to work with an affected municipality, county, or financing conduit organization under Chapter 163, F.S., to issue tax-exempt bonds should the funding need arise for the account specified in Section 631.55(2)(b), F.S. As of June 30, 2013, the Association has not needed to utilize this bonding authority and no tax-exempt bonds have been issued.

## NOTE 15 – CONTINGENCIES

### A. Federal Family Education Loans Program

The Florida Department of Education (FDOE) administers the Federal Family Education Loans Program (Program). Loans made from this Program (Program loans) were made directly by financial institutions to eligible students and their parents. FDOE is the guarantor for Program loans. The United States Department of Education (USDE) is the Program's reinsurer and, as such, reimburses FDOE for Program activities. Reimbursement amounts are made at various rates based on the date the loan was guaranteed.

The passage of the Health Care and Education Reconciliation Act of 2010 ended the guarantor portion of the Program after June 30, 2010. FDOE still continues other administrative activities as required under the Program. At June 30, 2013, approximately \$2 billion of Program loans were still outstanding from loans that had been made prior to the Program ending on June 30, 2010. As guarantor, FDOE is still potentially liable for any defaulted Program loan amounts in-excess of USDE reimbursement amounts. The specific amount of this potential liability is indeterminable.

### B. Federally Assisted Grant Programs

Florida participates in a number of federally assisted grant programs. These programs are subject to audits by the grantors or their representatives. Any disallowance as a result of these audits may become a liability of the state. The amounts of any foreseeable disallowances were not subject to reasonable estimation.

**Component units** - The United States Department of Health and Human Services' and National Science Foundation's Offices of Inspector General, with the United States Department of Justice (civil division), are investigating the University of Florida's (University) practices relating to Federal awards finances and accounting. University management is unable to make a determination of the outcome or estimate costs that the University may incur as a result of this audit

**Medicaid Program** - In response to Florida Auditor General Report No. 2012-021, Finding No. FA-12-064, Finding No. 3, the United States Department of Health and Human Services (USDHHS) requested, on August 28, 2013, that the Florida Agency for Health Care Administration (FAHCA) refund \$74.5 million for alleged excess Medicare crossover claim payments made during the 2007-2010 State Fiscal Years. On October 15, 2013, the FAHCA challenged the request and as of January 9, 2014, had not received a response from the USDHHS. If the FAHCA is unsuccessful in their challenge, it will be required to return all or a portion of the requested refund.

### C. Peak Oil/Bay Drum Superfund Site Remediation

The United States Environmental Protection Agency identified the Florida Department of Transportation (FDOT) as a responsible party for past and future response costs at the Peak Oil/Bay Drum Superfund Site. The FDOT made payments under consent decrees in 1998 and 2011, as entered in the case of *United States of America v. Akzo Nobel Coating, et al.*, Case No. 8:97-cv-0156-RAL (consolidated), United States District Court, Middle District of Florida, and Tampa Division. Implementation of remedial design is in process and the evaluation of the need for remedy in wetlands and deep aquifer is ongoing. The EPA agreed to amend the Record of Decision to provide for monitoring and natural attenuation as the remedy for the deep Floridian Aquifer. Based on the remediation performed to date pursuant to the consent decrees, FDOT has determined that its share of the potential future cost of remediation is not expected to exceed \$25 million.

### D. Other

**State Enterprise Email System Breach of Contract Claim** - On June 27 and 28th, 2013, the Southwood Shared Resource Center and Xerox State and Local Solutions, Inc. fully executed a settlement agreement and release which included \$5 million. The Florida Legislature appropriated funds in the amount of \$5 million to support the agreed upon settlement and a warrant was issued to Xerox.

**Taxpayer Asserted Refund Claim** - This claim involves a taxpayer, from one of the industries that Department of Business and Professional Regulation (DBPR) regulates, who has contested the legality of a tax that the legislature imposed and DBPR has been collecting from it and others. The taxpayer has paid the disputed tax and now seeks a refund for the immediate past payment, as well as for the tax payments it made during the prior three years. If the taxpayer prevails, then the amount that it and others similarly situated may request by way of refund will exceed \$25 million. Moreover, the state will cease collecting the tax revenues it is accustomed to collecting in the future.

## NOTE 16 – LITIGATION

Due to its size and broad range of activities, the state is involved in various, though sometimes routine, legal actions. The following are the significant loss contingencies associated with legal proceedings:

**A. DirecTV, EchoStar Satellite LLC n/k/a Dish Network, LLC and Ogborn v. Department of Revenue (Consolidated Case No. 05-CA-1037); DirecTV, EchoStar Satellite LLC n/k/a Marcus and Patricia Ogborn vs. Jim Zingale, acting in his official etc., et al., Case No. 1D13-5455 (Fla. 1st DCA)**

Consolidated Case No. 05-CA-1037 challenged the statutory distinction made in the application of the Communication Services Tax of Chapter 202, Florida Statutes, to cable and satellite TV providers. DirecTV challenged the statute as a provider, while Ogborn challenged on behalf of a class of subscribers. Plaintiffs argued that applying a different statutory rate of tax on the sale of these competing services violated the Commerce Clause and the Equal Protection Clause. The amount of tax refund at issue was \$40 million annually.

On October 9, 2013, the trial court entered a Final Summary Judgment for the Defendant (the Department of Revenue) for Consolidated Case No. 05-CA-1037 by determining that the different statutory rate of tax was facially constitutional and, consequently, does not violate the Commerce Clause or Equal Protection Clause.

In response, the Plaintiffs have appealed the trial court's Final Summary Judgment to the First District Court of Appeal (DCA) as Case No. 1D13-5455. The parties have not yet submitted briefs and no hearing is scheduled.

**B. General Motors LLC, L.T. v. Florida Department of Revenue, Case No. 04-CA-2739 (2<sup>nd</sup> Cir.), Case No. 1D12-0784 (Fla. 1st DCA).**

General Motors repairs vehicles that fall outside the contractual terms and conditions of the new vehicle warranty or extended warranty period under a discretionary program known as "Case-by-Case Adjustments" or "Goodwill Policy Adjustments." General Motors alleged the State illegally imposed a use tax on the tangible personal property that is incorporated into repairs made under these programs. On January 13, 2012, the court held for the Plaintiff, concluding that the right to participate in the "Case-by-Case Adjustments" program is part of the consideration received by the customer in exchange for the purchase price of the vehicle. The Department appealed and the First DCA affirmed the lower court's decision on December 5, 2012. The Department subsequently moved for rehearing, clarification and certification, which the Court denied. As a consequence, the Department has withdrawn the assessments of tax, penalty and interest at stake in this consolidated case, which exceeded \$60 million, closing this case.

**C. Florida Gas Transmission Company, v. Florida Department of Transportation, Case No. CACE07001922 (17th Cir.); 4D11-2567 (Fla. 4th DCA)**

Plaintiff alleged breach of easement and sought injunctive relief and reimbursement of natural gas pipeline relocation costs in excess of \$90 million. The Florida Department of Transportation (FDOT) counterclaimed. On January 27, 2011, the jury returned a verdict in favor of Plaintiff for \$82,697,567 in pipeline relocation costs. Both parties appealed the Final Judgment entered by the court. On June 6, 2012, the Fourth DCA affirmed the Final Judgment on the jury verdict entered against the FDOT and reversed the Final Judgment on other issues not impacting the jury verdict. The FDOT paid the monetary judgment after the trial court issued the amended Final Judgment on November 9, 2012. The Florida Supreme Court denied a petition for discretionary review of the Fourth DCA's opinion on December 28, 2012. On August 21, 2013, the FDOT agreed to pay Plaintiff \$596,340 in settlement of Plaintiff's motion to tax costs in the amount of \$1,192,681.78. All amounts have been paid and there are no pending claims or controversies.

**D. In re Citrus Canker Litigation, Case No. 00-18394 (17<sup>th</sup> Cir. Broward County); Mendez v. Florida Department of Agriculture and Consumer Services, Case No. 02-13717 (15th Cir. Palm Beach County); Ayers v. Florida Department of Agriculture and Consumer Services, Case No. 05-CA-4120 (9<sup>th</sup> Cir. Orange County); Dellaselva v. Florida Department of Agriculture and Consumer Services, Case No. 03-1947 (20<sup>th</sup> Cir. Lee County); In re Citrus Canker Litigation, Case No. 03-8255 (11<sup>th</sup> Cir. Miami-Dade County); and Martinez v. Florida Department of Agriculture and Consumer Services, Case No. 03-30110 (11<sup>th</sup> Cir. Miami-Dade County).**

*In re Citrus Canker Litigation*, Case No. 00-18394, concerns a class of Broward County homeowners who sued for compensation for their citrus trees that had been exposed to citrus canker and removed by the Florida Department of Agriculture and Consumer Services (FDACS) after January 1, 2000. In bifurcated trials on liability and damages, plaintiffs were awarded \$8,043,450, including prejudgment interest. The Fourth DCA affirmed the Final Judgment, and the Florida Supreme Court and United States Supreme Court declined review. Plaintiffs were also awarded attorneys' fees and costs in the amount of \$4,584,147 which were affirmed in part and reversed in part by the Fourth DCA.

In related cases, similar classes have been certified in Palm Beach, Lee, Orange, and Miami-Dade Counties. In Palm Beach County, the circuit judge held the FDACS liable for removal of the class' canker-exposed citrus, and, after a trial on compensation, awarded \$19,222,491, including prejudgment interest. This judgment was reversed by the Fourth DCA, which ordered a new compensation trial. Plaintiffs have requested the Fourth DCA reconsider its ruling, or certify the case to the Florida Supreme

Court. The Fourth DCA also held in both the Broward County and Palm Beach County lawsuits that Plaintiffs are required to proceed to collect on judgments by way of a claims bill in the Legislature.

In Lee County, liability was found against FDACS and a compensation trial is scheduled for June 2014. In Orange County, liability was found against FDACS, and a compensation trial is scheduled for September 2014. In a related Miami-Dade County class action, *In re Citrus Canker Litigation*, Case No. 03-8255, the trial court certified a class, and the Third DCA affirmed in a split *en banc* decision. FDACS has requested the Florida Supreme Court review the Third DCA's decision. In an unrelated Miami-Dade County case, *Martinez*, Case No. 03-30110, the trial court denied certification of a class of residential and commercial citrus owners, and the decision was affirmed by the Third DCA. The trial court permitted the Plaintiffs a final opportunity to certify a class, which resulted in a second denial of certification. Plaintiffs have asked the Supreme Court to take discretionary jurisdiction over the second denial.

**E. Angelfish Swim School, et. al. v. Detzner, Case No. 2003-13413-CA-01 (11<sup>th</sup> Cir.); 3D10-1611 (Fla. 3rd DCA); SC12-2643 (Fla.).**

Plaintiffs in this class action allege the late charge for late corporate filing imposed by Section 607.193(2)(b), Florida Statutes, and fee for reinstatement of corporation after administrative dissolution imposed by Section 607.0122(13), Florida Statutes, are excessive fines in violation of the Florida Constitution. The trial court certified the class. The Florida Department of State appealed the Class Certification Order to the Third DCA. Potential liability was an estimated \$150 million, plus prejudgment interest. On April 6, 2011, the Third DCA reversed the class certification. Plaintiffs' motion for clarification, rehearing, rehearing *en banc*, and certification as a question of great public importance was denied on November 29, 2012. On December 26, 2012, Plaintiffs petitioned for review by the Florida Supreme Court concerning the Third DCA's April 6, 2011, and November 29, 2012, holdings. On June 19, 2013, the Florida Supreme Court declined to accept jurisdiction and denied the petition.

**F. Florida Gas Transmission Company, v. Florida Department of Transportation, I-595 Express, LLC, and Dragados USA, Inc., Case No. 11-008770(07) (17th Cir.).**

Plaintiff alleged that Defendant's construction of an express lane system in the I-595 median materially interferes with its easement rights. Plaintiff asserted breach of easement and inverse condemnation claims against the FDOT and sought \$36,155,315 in damages in an action initiated on April 14, 2011. On August 21, 2013, FDOT agreed to pay the Plaintiff \$18.5 million in settlement of all claims.

**G. Blairstone Delaware, LLC v. Florida Department of Corrections, Case No. 2012 CA 004007 (2nd Cir.).**

This is a breach of contract case filed by the lessor of property leased by the Florida Department of Corrections (FDOC). Lessor alleges that the FDOC breached its lease by failing to relocate all of its state employees to state owned buildings, failing to act in good faith with the lessor by seeking to modify or terminate the lease, failing to state why the proposed relocation was in the best interest of the State, and failing to make a reasonable effort to place another state agency on the premises. The FDOC was served with the lawsuit on January 2, 2013, and response to the complaint was filed on February 11, 2013. The Florida Department of Management Services (FDMS) was added as a co-defendant on July 31, 2013. FDOC's Motion for Summary Judgment and FDMS's Motion to Dismiss was conducted on February 11, 2014., and the decision on the hearing is pending. Plaintiff alleges damages exceed \$27 million.

**H. United States of America v. State of Florida, Case No. 12-60460 (United States District Court for the Southern District of Florida)**

The United States' Department of Justice (DOJ) alleges that the State of Florida's Agency for Health Care Administration, Department of Health, Department of Children and Families, Agency for Persons with Disabilities and the Department of Elder Affairs violated Title II of the Americans with Disabilities Act by unnecessarily institutionalizing Medicaid eligible medically complex persons under the age of 21 in nursing facilities. On November 21, 2013, the State filed a Motion for Judgment on the Pleadings alleging DOJ lacks authority to bring the suit. A decision on the motion is pending. The United States seeks compensatory damages for the Plaintiffs pain and suffering, plus injunctive relief, which the could exceed \$25 million.

**NOTE 17 – DEFICIT FUND EQUITY****A. Governmental Funds**

The *State School Trust Fund* has a deficit fund balance of approximately \$744 million. The deficit is primarily the result of establishing an advance (long-term liability) for potential future claims on a portion of the cash advanced by the Unclaimed Property Trust Fund. Due to the long-term nature of the liability, the Department of Education pays claims as they are made rather than funding the full amounts, which may ultimately be payable.

**B. Proprietary Funds**

The *Beachline East Expressway Toll Trust Fund* has a net asset deficit of approximately \$20.9 million. The deficit is a result of committing Beachline toll revenues to pay a portion of the construction costs of SR 520, an adjoining non-tolled road. Expenses incurred to date are greater than toll revenues. The Department of Transportation has agreed to fund certain costs in advance thereby creating a liability for Beachline to repay. Future toll revenues continue to be used to pay additional SR 520 costs and the associated liability.

The *Legal Services Trust Fund* has a net asset deficit of approximately \$3.3 million. The deficit is a result of revenues being insufficient to cover long-term obligations, consisting mainly of a compensated absences liability and an accrual of Other Postemployment Benefits (OPEB) liability in accordance with Governmental Accounting Standards Board (GASB) Codification Section P50, *Postemployments Benefits Other Than Pension Benefits – Employer Reporting*. Due to the long-term nature of the liability, the Department of Legal Affairs plans to continue providing legal services and liquidate the liabilities on a pay-as-you-go basis.

**C. Fiduciary Funds**

The *Operating Trust Fund – Administration Retirement Division* has a net asset deficit of approximately \$1.3 million. The deficit is a result of an accrual of Other Postemployment Benefits (OPEB) in accordance with the Governmental Accounting Standards Board (GASB) Codification Section P50, *Postemployment Benefits Other Than Pension Benefits – Employer Reporting*.

The *Life and Other Benefits Fund* has a net asset deficit of approximately \$7.8 million. The deficit is a result of an accrual of Other Postemployment Benefits (OPEB) in accordance with the Governmental Accounting Standards Board (GASB) Codification Section P50, *Postemployment Benefits Other Than Pension Benefits – Employer Reporting*.

**NOTE 18 – SUBSEQUENT EVENTS****A. Bonds**

The following bonds for governmental and business-type activities of the primary government were issued subsequent to June 30, 2013:

Agency/Bond	Series	Amount	Matures	Interest Rate
<b>Governmental Activities:</b>				
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2013 Series C	\$ 297,965,000	06/01/2015-06/01/2034	4.000% - 5.000%
Board of Governors, Florida State University Dormitory Revenue Bonds	2013A	\$ 42,495,000	05/01/2016-05/01/2033	4.000% - 5.000%
Board of Governors, University of Florida Student Activity Revenue Bonds	2013	\$ 41,540,000	07/01/2014-07/01/2033	4.000% - 5.000%
Board of Governors, Florida International University Parking Facility Revenue Bonds	2013A	\$ 48,365,000	07/01/2014-07/01/2043	3.000% - 5.250%
Board of Governors, University of Florida Dormitory Revenue Bonds	2013A	\$ 24,805,000	07/01/2014-07/01/2033	3.000% - 5.000%
Department of Transportation, Seaport Improvement Program Revenue Bonds	2013	\$ 138,145,000	07/01/2014-07/01/2043	2.000% - 5.000%
<b>Business-Type Activities:</b>				
Department of Transportation, Turnpike Revenue Refunding Bonds	2013B	\$ 206,035,000	07/01/2014-07/01/2022	2.000% - 5.000%
Department of Transportation, Turnpike Revenue Bonds	2013C	\$ 267,405,000	07/01/2014-07/01/2043	4.000% - 5.000%

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**OTHER REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**2013 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 2,030,912	\$ 2,030,912	\$ 2,030,912	\$ .....
Reversions	373,994	373,994	373,994	.....
Fund Balances, July 1, 2012, restated	2,404,906	2,404,906	2,404,906	.....
<b>REVENUES</b>				
Fees and charges	1,201,241	1,393,641	1,587,526	193,885
Licenses	1,328,726	1,121,226	497,904	(623,322)
Taxes	26,807,255	27,181,255	27,370,301	189,046
Miscellaneous	5,619	5,619	5,645	26
Interest	113,525	111,425	111,471	46
Grants	28,495	28,495	20,138	(8,357)
Refunds	11,423	11,423	343,233	331,810
Transfers and distributions	2,817,776	2,934,576	2,656,686	(277,890)
Other	360,114	615,114	986,240	371,126
Total Revenues	32,674,174	33,402,774	33,579,144	176,370
Total Available Resources	35,079,080	35,807,680	35,984,050	176,370
<b>EXPENDITURES</b>				
Operating expenditures:				
Salaries and benefits	3,289,494	3,410,570	3,365,978	44,592
Other personal services	60,624	75,907	58,516	17,391
Expenses	334,967	393,770	379,120	14,650
Grants and aids	11,899,201	11,894,973	11,893,108	1,865
Operating capital outlay	13,058	15,449	13,825	1,624
Food products	54,423	55,620	54,999	621
Fixed capital outlay	32,453	32,453	32,453	.....
Lump sum	320,210	20,084	20,084	.....
Special categories	9,062,319	9,162,022	9,026,050	135,972
Financial assistance payments	220,258	237,751	237,668	83
Continuing Appropriations	.....	128,263	128,263	.....
Grants/aids to local governments	38,536	38,536	38,536	.....
Data processing services	47,872	54,710	48,967	5,743
Pensions and benefits	18,288	18,288	15,251	3,037
Claim bills and relief acts	.....	1,298	1,298	.....
Total Operating Expenditures	25,391,703	25,539,694	25,314,116	225,578
Nonoperating expenditures:				
Transfers	4,594,470	4,594,470	4,594,470	.....
Qualified expenditures	53,497	.....	.....	.....
Refunds	722,810	295,825	295,825	.....
Other	1,830,115	1,830,115	1,830,115	.....
Total Nonoperating Expenditures	7,200,892	6,720,410	6,720,410	.....
Total Expenditures	32,592,595	32,260,104	32,034,526	225,578
Fund Balances, June 30, 2013	\$ 2,486,485	\$ 3,547,576	\$ 3,949,524	\$ 401,948

The notes to required supplementary information are an integral part of this schedule.

**2013 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

Environment, Recreation and Conservation				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 1,118,499	\$ 1,118,499	\$ 1,118,499	\$ .....
Reversions	1,447	1,447	1,447	.....
Fund Balances, July 1, 2012, restated	1,119,946	1,119,946	1,119,946	.....
<b>REVENUES</b>				
Fees and charges	120,775	150,263	153,230	2,967
Licenses	35,525	42,825	46,599	3,774
Taxes	72,954	275,490	273,624	(1,866)
Miscellaneous	1,196	400	429	29
Interest	22,036	42,682	21,152	(21,530)
Grants	222,532	150,262	188,229	37,967
Refunds	4,682	20,485	20,836	351
Bond proceeds	50,143	49,900	49,899	(1)
Transfers and distributions	1,036,793	1,091,826	1,154,640	62,814
Other	108,460	6,517	145,874	139,357
Total Revenues	1,675,096	1,830,650	2,054,512	223,862
Total Available Resources	2,795,042	2,950,596	3,174,458	223,862
<b>EXPENDITURES</b>				
Operating expenditures:				
Salaries and benefits	228,360	224,061	217,628	6,433
Other personal services	21,784	20,214	17,744	2,470
Expenses	47,687	46,981	43,127	3,854
Grants and aids	3,761	3,748	2,675	1,073
Operating capital outlay	1,637	1,995	1,842	153
Fixed capital outlay	621,191	621,191	621,191	.....
Special categories	273,487	272,930	216,681	56,249
Grants/aids to local governments	250,673	250,673	250,673	.....
Data processing services	133	133	123	10
Total Operating Expenditures	1,448,713	1,441,926	1,371,684	70,242
Nonoperating expenditures:				
Transfers	196,156	196,156	196,156	.....
Refunds	56,946	15,077	15,077	.....
Other	319,778	319,778	319,778	.....
Total Nonoperating Expenditures	572,880	531,011	531,011	.....
Total Expenditures	2,021,593	1,972,937	1,902,695	70,242
Fund Balances, June 30, 2013	\$ 773,449	\$ 977,659	\$ 1,271,763	\$ 294,104

The notes to required supplementary information are an integral part of this schedule.

**2013 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	Public Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 452,381	\$ 452,381	\$ 452,381	\$ .....
Reversions	46,988	46,988	46,988	.....
Fund Balances, July 1, 2012, restated	499,369	499,369	499,369	.....
<b>REVENUES</b>				
Fees and charges	1,794,355	32,496	56,290	23,794
Licenses	3,673	149	674	525
Taxes	618,520	609,365	584,779	(24,586)
Miscellaneous	33,903	3,942	3	(3,939)
Interest	19,463	22,145	32,427	10,282
Grants	2,607,518	2,656,994	2,301,130	(355,864)
Refunds	1,612	1,882	2,146	264
Bond proceeds	226,065	175,307	99,401	(75,906)
Transfers and distributions	2,409,575	2,613,867	2,613,867	.....
Other	166,168	304,445	253,690	(50,755)
Total Revenues	7,880,852	6,420,592	5,944,407	(476,185)
Total Available Resources	8,380,221	6,919,961	6,443,776	(476,185)
<b>EXPENDITURES</b>				
Operating expenditures:				
Salaries and benefits	36,174	36,329	32,761	3,568
Other personal services	1,787	1,784	426	1,358
Expenses	11,283	11,143	5,824	5,319
Grants and aids	4,434,634	2,710,223	2,674,074	36,149
Operating capital outlay	1,478	1,548	595	953
Fixed capital outlay	1,788,920	1,762,652	1,762,652	.....
Special categories	1,477,806	1,118,744	1,118,744	.....
Financial assistance payments	49,111	49,111	48,645	466
Grants/aids to local governments	.....	582	582	.....
Payments to U.S. Treasury	2,060	100	100	.....
Data processing services	7,347	7,716	6,873	843
Total Operating Expenditures	7,810,600	5,699,932	5,651,276	48,656
Nonoperating expenditures:				
Transfers	226,918	338,483	338,483	.....
Qualified Expenditures	8,083	.....	.....	.....
Refunds	9,614	136	136	.....
Other	171,980	6,983	6,983	.....
Total Nonoperating Expenditures	416,595	345,602	345,602	.....
Total Expenditures	8,227,195	6,045,534	5,996,878	48,656
Fund Balances, June 30, 2013	\$ 153,026	\$ 874,427	\$ 446,898	\$ (427,529)

The notes to required supplementary information are an integral part of this schedule.

**2013 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 1,338,950	\$ 1,338,950	\$ 1,338,950	\$ .....
Reversions	1,762,798	1,762,798	1,762,798	.....
Fund Balances, July 1, 2012, restated	3,101,748	3,101,748	3,101,748	.....
<b>REVENUES</b>				
Fees and charges	1,700,736	1,477,655	1,447,010	(30,645)
Licenses	23,468	21,327	21,685	358
Taxes	299,801	317,071	289,486	(27,585)
Miscellaneous	30	6	34	28
Interest	9,528	27,806	6,798	(21,008)
Grants	16,116,454	15,484,696	14,567,754	(916,942)
Refunds	1,320,749	1,632,212	1,581,230	(50,982)
Transfers and distributions	1,704,571	2,071,119	2,149,958	78,839
Other	38,074	43,402	43,892	490
Total Revenues	21,213,411	21,075,294	20,107,847	(967,447)
Total Available Resources	24,315,159	24,177,042	23,209,595	(967,447)
<b>EXPENDITURES</b>				
Operating expenditures:				
Salaries and benefits	1,292,051	1,290,594	1,163,509	127,085
Other personal services	110,644	122,364	111,618	10,746
Expenses	265,323	255,853	233,241	22,612
Grants and aids	54,607	54,850	35,555	19,295
Operating capital outlay	14,941	15,252	9,349	5,903
Food products	1,301	1,301	1,188	113
Fixed capital outlay	12,822	12,822	12,822	.....
Lump sum	10,246	.....	.....	.....
Special categories	19,881,221	20,109,671	19,089,195	1,020,476
Financial assistance payments	58,084	63,648	61,228	2,420
Grants/aids to local governments	4,713	4,713	4,713	.....
Data processing services	37,562	56,822	56,420	402
Claim bills and relief acts	2,650	2,650	2,650	.....
Total Operating Expenditures	21,746,165	21,990,540	20,781,488	1,209,052
Nonoperating expenditures:				
Continuing Appropriations	.....	34,744	34,744	.....
Transfers	853,180	1,042,253	1,042,253	.....
Qualified expenditures	90,771	.....	.....	.....
Refunds	14,226	13,712	13,712	.....
Other	12,478	29,396	29,396	.....
Total Nonoperating Expenditures	970,655	1,120,105	1,120,105	.....
Total Expenditures	22,716,820	23,110,645	21,901,593	1,209,052
Fund Balances, June 30, 2013	\$ 1,598,339	\$ 1,066,397	\$ 1,308,002	\$ 241,605

The notes to required supplementary information are an integral part of this schedule.

**2013 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	Transportation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 272,452	\$ 272,452	\$ 272,452	\$ .....
Reversions	455	455	455	.....
Fund Balances, July 1, 2012, restated	272,907	272,907	272,907	.....
<b>REVENUES</b>				
Fees and charges	145,637	159,572	145,637	(13,935)
Licenses	1	.....	.....	.....
Taxes	2,340,086	2,295,648	2,340,086	44,438
Interest	582	2,001	2,486	485
Refunds	13,206	823	13,460	12,637
Transfers and distributions	101,729	358,615	364,848	6,233
Other	22,285	34,157	18,589	(15,568)
Total Revenues	2,623,526	2,850,816	2,885,106	34,290
Total Available Resources	2,896,433	3,123,723	3,158,013	34,290
<b>EXPENDITURES</b>				
Operating expenditures:				
Salaries and benefits	3,945	3,967	3,153	814
Other personal services	38	51	35	16
Expenses	913	900	645	255
Operating capital outlay	15	15	6	9
Fixed capital outlay	216,384	216,384	216,384	.....
Special categories	104,272	104,278	103,633	645
Continuing Appropriations	(26,891)	.....	.....	.....
Total Operating Expenditures	298,676	325,595	323,856	1,739
Nonoperating expenditures:				
Transfers	41,027	41,027	41,027	.....
Refunds	43,482	43,482	43,482	.....
Other	2,442,644	2,442,644	2,442,644	.....
Total Nonoperating Expenditures	2,527,153	2,527,153	2,527,153	.....
Total Expenditures	2,825,829	2,852,748	2,851,009	1,739
Fund Balances, June 30, 2013	\$ 70,604	\$ 270,975	\$ 307,004	\$ 36,029

The notes to required supplementary information are an integral part of this schedule.

**BUDGET TO GAAP RECONCILIATION**  
**GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
**(in thousands)**

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Budgetary basis fund balances	\$3,949,524	\$ 1,271,763	\$446,898	\$ 1,308,002	\$ 307,004
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury	1,051,125	104,470	53,645	10,716	113,729
Fair value adjustments to investments within the State Treasury	(21,790)	(3,048)	(1,565)	(313)	(3,318)
Special investments within the State Treasury	23,954	.....	.....	9,348	.....
Non-State Treasury cash and investments	739,194	1,796	.....	57,599	683,929
Other GAAP basis fund balances not included in budgetary basis fund balances	.....	.....	.....	.....	669,832
Adjusted budgetary basis fund balances	5,742,007	1,374,981	498,978	1,385,352	1,771,176
Adjustments (basis differences):					
Net receivables (payables) not carried forward	255,439	1,163,869	130,291	188,223	(158,521)
Inventories, prepaid items and deferred charges	10,109	563	36	34,748	21,456
Encumbrances	149,292	3,843	171,057	29,060	31,591
GAAP basis fund balances	<u>\$6,156,847</u>	<u>\$ 2,543,256</u>	<u>\$800,362</u>	<u>\$ 1,637,383</u>	<u>\$ 1,665,702</u>

The notes to required supplementary information are an integral part of this schedule

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

### BUDGETARY REPORTING

#### Budget Process

Chapter 216, Florida Statutes (F.S.), promulgates the process used to develop the budget for the State of Florida. Each year, the head of each state agency and the Chief Justice of the Supreme Court for the Judicial Branch submit a final annual legislative budget request to the Governor and Legislature by October 15 as required in Section 216.023(1), F.S. Then, at least 30 days before the scheduled annual legislative session in each year, the Governor, as Chief Budget Officer, submits his recommended budget to each legislator.

The Governor also provides estimates of revenues sufficient to fund the recommended appropriations. Revenue estimates for the General Fund and selected trust funds are made by the Revenue Estimating Conference. This group includes members of the Executive and Legislative branches with forecasting experience who develop official information regarding anticipated state and local government revenues as needed for the state budgeting process. Revenue estimates for trust funds not projected by the Revenue Estimating Conference (consisting mainly of special revenue funds) are provided by state agencies. These estimates may be revised during the course of the Legislature's consideration and adoption of a final budget. These estimates, together with known available cash balances, are further considered by the Governor and the Chief Justice of the Florida Supreme Court during the preparation of annual release (spending) plans. Further adjustments to the original budget's trust fund revenue estimates may be made to conform agency revenue estimates to actual and projected revenue streams.

The Governor's recommended budget is considered and amended by the Legislature and a final appropriations bill is then approved by the Legislature (subject to the line-item veto power of the Governor and override authority of the Legislature); this bill then becomes the General Appropriations Act. The Governor and the Chief Justice of the Supreme Court may, under certain conditions and subject to the review and objection procedures set forth in Section 216.177, F.S., establish appropriations and corresponding releases for amounts not appropriated by the Legislature to agencies and the Judicial Branch, respectively. This includes appropriations for non-operating disbursements, such as the purchase of investments and the transfer of money between state funds.

If circumstances warrant, the head of a department or the Chief Justice of the Supreme Court may transfer appropriations (other than fixed capital outlay appropriations) but only to the extent of 5 percent of the original appropriation or \$250,000, whichever is greater, or within certain programs and between identical funding sources and specific appropriation categories. Transfers of general revenue appropriations in excess of 5 percent or \$250,000, whichever is greater, or for fixed capital outlay, or for transfers of general revenue appropriations not allowed within the departments' program flexibility may be approved by the Legislative Budget Commission. The Governor and the Chief Justice of the Supreme Court may approve changes of expenditure authority within any trust fund for agencies and the Judicial Branch, respectively, if the changes are less than \$1 million. The Legislative Budget Commission may approve trust fund changes in excess of \$1 million. At the end of the fiscal year, any balance of an operating appropriation which has not been disbursed but is expended (recorded as a payable) or contracted to be expended (recorded as a reserve for encumbrances in governmental fund types), may be carried forward into the next fiscal year. If these appropriations, however, have not been disbursed by September 30 they will revert pursuant to Section 216.301(1), F.S.

The Chief Financial Officer approves disbursements in accordance with legislative authorizations. The budget is controlled at the account code level, which is defined as an appropriation category (e.g., salaries and benefits), and funded within a budget entity. The Governor and the Chief Financial Officer are responsible for detecting conditions which could lead to a deficit in any agency's funds and reporting that fact to the Legislative Budget Commission and the Chief Justice of the Supreme Court. The Constitution of the State, Article VII, Section 1(d), states, "Provision shall be made by law for raising sufficient revenue to defray the expenses of the state for each fiscal period."

#### Budgetary Basis of Accounting

The budgetary basis of accounting required by state law differs materially from the basis used to report revenues and expenditures in accordance with generally accepted accounting principles (GAAP). Appropriations are made from funds that are prescribed by law. These legal basis fund types (known as state funds) are the General Revenue Fund, numerous trust funds, and the Budget Stabilization Fund. Certain moneys maintained outside of the State Treasury, known as local funds, are available to agencies for their operations. Because the funds are located in banks outside of the State Treasury, budgetary authority and the disbursement of these funds are not controlled by the Chief Financial Officer. For example, the State Board of Administration operates from such funds.

The state presents budgetary comparison schedules for the General Fund and major special revenue funds as part of the other required supplementary information. In addition, budgetary comparison schedules for non-major special revenue funds which have legally adopted annual budgets are presented with other combining and individual fund statements and schedules.

Budgetary basis revenues are essentially reported on a cash basis and include amounts classified by GAAP as other financing sources. Budgetary basis expenditures include disbursements, except those for prior year carry/certified forwards, plus current year payables and encumbrances which are carried/certified forward into the next fiscal year. They also include amounts classified by GAAP as other financing uses. State law requires prior year payables and encumbrances not carried/certified forward to be paid from the current year budget. The Lump Sum expenditure category presented in the budgetary comparison schedules is used as a budgetary tool to track moneys appropriated to a particular fund until subsequent allocations are made to other expenditure categories.

The presentation of budgetary comparison information for the major governmental fund for transportation excludes the State Transportation Trust Fund within the Department of Transportation because it accounts for projects of a multi-year nature, and comparison of actual annual expenditures to a multi-year appropriated amount is not meaningful. Appropriations are made in total the first year of a project even though they are released and expended over the period of construction for a project.

### **Budget to GAAP Reconciliation**

The budgetary comparison schedules for the General Fund and the major special revenue funds present comparisons of the original budget and final budget with actual revenues and expenditures on a budgetary basis. A budget to GAAP reconciliation is presented following the budgetary comparison schedules because accounting principles for budgetary basis differ significantly from those used to present financial statements in conformity with GAAP.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

FLORIDA RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS  
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Annualized Covered Payroll <sup>(1)</sup> (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2006	\$ 117,159,615	\$ 110,977,831	\$ (6,181,784)	105.57%	\$ 25,327,922	(24.41%)
July 1, 2007	125,584,704	118,870,513	(6,714,191)	105.65%	26,385,768	(25.45%)
July 1, 2008	130,720,547	124,087,214	(6,633,333)	105.35%	26,891,340	(24.67%)
July 1, 2009	118,764,692	136,375,597	17,610,905	87.09%	26,573,196	66.27%
July 1, 2010	120,929,666	139,652,377	18,722,711	86.59%	25,765,362	72.67%
July 1, 2011	126,078,053	145,034,475	18,956,422	86.93%	25,686,138	73.80%
July 1, 2012	127,891,781	148,049,596	20,157,815	86.38%	24,491,371	82.31%

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(in thousands)

Year Ended 6/30	Annual Required Contributions	Percent Contributed
2006	\$ 2,193,928	96%
2007	2,455,255	111%
2008	2,612,672	107%
2009	2,535,854	111%
2010	2,447,374	111%
2011	3,680,042	83%
2012	1,962,816	60%

<sup>(1)</sup> Includes Deferred Retirement Option Program (DROP) Payroll.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM SCHEDULE OF FUNDING PROGRESS  
(in thousands)

Actuarial Valuation Date <sup>(1)</sup>	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Annualized Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2006	\$ 192,808	\$ 4,667,058	\$ 4,474,250	4.13%	\$ 27,712,320	16.15%
July 1, 2008	275,139	5,109,683	4,834,544	5.38%	30,665,477	15.77%
July 1, 2010	291,459	8,464,530	8,173,071	3.44%	31,717,281	25.77%
July 1, 2012	220,346	9,018,467	8,798,121	2.44%	31,345,990	28.07%

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(in thousands)

Year Ended 6/30	Annual Required Contribution	Percent Contributed
2006	N/A <sup>(2)</sup>	N/A
2007	\$ 363,175	90%
2008	391,847	85%
2009	395,256	86%
2010	409,546	81%
2011	563,907	59%
2012	584,600	55%

<sup>(1)</sup> Actuarial valuations for the Retiree Health Insurance Subsidy Program are prepared biannually.

<sup>(2)</sup> First valuation completed July 1, 2006, which determined ARC for the 2006-2007 fiscal year.

OTHER POSTEMPLOYMENT BENEFITS SCHEDULE OF FUNDING PROGRESS\*  
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Annualized Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2007	\$ .....	\$ 3,081,834	\$ 3,081,834	0.00%	\$ 6,542,945	47.10%
July 1, 2008	.....	2,848,428	2,848,428	0.00%	6,492,858	43.87%
July 1, 2009	.....	4,831,107	4,831,107	0.00%	7,318,965	66.01%
July 1, 2010	.....	4,545,845	4,545,845	0.00%	7,574,317	60.02%
July 1, 2011	.....	6,415,754	6,415,754	0.00%	7,256,798	88.41%
July 1, 2012	.....	6,782,210	6,782,210	0.00%	7,188,525	94.35%

SCHEDULE OF EMPLOYER CONTRIBUTIONS\*  
(in thousands)

Year Ended 6/30	Annual Required Contribution	Percent Contributed
2008	\$ 200,973	43.70%
2009	186,644	54.36%
2010	336,419	30.87%
2011	313,415	32.87%
2012	455,584	27.07%
2013	452,658	28.50%

\* This information relates to the cost-sharing plan as a whole, of which the State of Florida is one participating employer. The State of Florida's participation in both the actuarial accrued liability and the annual required contribution is approximately 76%.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

### INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Pursuant to GASB Statement 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, the state has adopted an alternative process to record depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the state expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 12,086 centerline miles of roads and 6,724 bridges that the state is responsible for maintaining.

In order to utilize the modified approach, the state is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the state.
- Document that the assets are being preserved approximately at, or above, the established condition level.

#### Condition and Maintenance Programs

**Resurfacing Program:** Road pavements require periodic resurfacing. The frequency of resurfacing depends on the volume of traffic, type of traffic, pavement material variability, and weather conditions. Resurfacing preserves the structural integrity of highway pavements and includes pavement resurfacing, pavement rehabilitation, and minor reconstruction.

The Florida Department of Transportation (FDOT) conducts an annual Pavement Condition Survey. Pavements are rated on a scale of 0 to 10 (with 10 being the best) in each of three criteria: ride smoothness, pavement cracking, and wheel path rutting. Ride smoothness is what the motorist experiences. It directly affects motor vehicle operation costs. Pavement cracking refers to the structural deterioration of the pavement, which leads to loss of smoothness and deterioration of the road base by water seepage if not corrected. Wheel path rutting refers to depressions in pavement caused by heavy use. Ride smoothness and wheel path rutting are measured mechanically using lasers. Pavement cracking is determined through visual observation by experienced survey crews.

The condition rating scales were set by a statewide committee of pavement engineers, so that a pavement segment receiving a rating of six or less in any of the three rating criteria is designated a deficient pavement segment. In low-speed areas, the ride rating must drop to five or less before a pavement segment is considered deficient due to ride.

The FDOT standard is to ensure that 80% of the pavement on the State Highway System remains non-deficient.

**Bridge Repair/Replacement Program:** The FDOT Bridge Repair Program places primary emphasis on periodic maintenance and specified rehabilitation work activities on State Highway System bridge structures. The FDOT Bridge Replacement Program’s primary focus is on the replacement of structurally deficient or weight restricted bridges on the State Highway System. In addition, the Bridge Replacement Program addresses bridges that require structural repair but which are more cost effective to replace.

The FDOT conducts bridge condition surveys using the National Bridge Inspection (NBI) Standards to determine condition ratings. Each bridge is inspected at least once every two years. During the inspection process, the major components such as deck, superstructure, and substructure are assigned a condition rating. The condition rating ranges from 0 to 9. By FDOT policy, a rating of 8 to 9 is excellent. A rating of 6 to 7 is good. A rating of 5 indicates fair condition. A rating of 4 or less identifies bridges in poor condition requiring major repairs or replacement per FDOT policy. A rating of 2 indicates a critical bridge condition, and a rating of 1 indicates imminent bridge failure and is used for a bridge that is closed, but with corrective action may be put back into light service. A rating of 0 indicates that the bridge is out of service and beyond corrective action. Per FDOT policy, bridges rated fair or poor do not meet performance standards.

The FDOT standard is to ensure that 90% of all department maintained bridges do not need major repairs or replacement.

**Routine Maintenance Program:** The FDOT is responsible for managing and performing routine maintenance on the State Highway System to help preserve the condition of the system. Routine maintenance includes many activities, such as: highway

repair, roadside upkeep, emergency response, maintaining signs, roadway striping, and keeping storm drains clear and structurally sound.

The quality and effectiveness of the routine maintenance program is monitored by periodic surveys, using the Maintenance Rating Program (MRP), which results in an annual assessment. The MRP has been used since 1985 to evaluate routine maintenance of the transportation system in five broad categories or elements. The five rating elements are roadway, roadside, vegetation/aesthetics, traffic services, and drainage. The MRP provides a maintenance rating of 1 to 100 for each category and overall.

The FDOT standard is to achieve and maintain an overall maintenance rating of 80.

### Condition Rating for the State Highway System

Percentage of pavement meeting FDOT standards

<u>2013</u>	<u>2012</u>	<u>2011</u>
92%	91%	89%

Percentage of bridges meeting FDOT standards

<u>2013</u>	<u>2012</u>	<u>2011</u>
96%	95%	95%

### Maintenance Rating

<u>2013</u>	<u>2012</u>	<u>2011</u>
86	87	87

### Comparison of Needed-to-Actual Maintenance/Preservation (in millions)

Resurfacing Program

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Needed	\$514.4	\$628.4	\$751.5	\$727.2	\$871.5
Actual	521.8	521.4	543.9	422.0	575.3

Bridge Repair/Replacement Program

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Needed	\$332.8	\$319.0	\$315.7	\$231.0	\$230.4
Actual	323.5	340.5	328.8	134.8	207.3

Routine Maintenance Program

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Needed	\$592.2	\$574.0	\$580.5	\$572.4	\$508.2
Actual	636.4	627.3	676.1	655.8	571.5

The FDOT determines its program needs based on a five-year plan. The needed amounts provided above are for estimated expenses and commitments relating to projects within the plan at the time of the budget request. The nature of a long-term plan is that it is continually changing. Projects are added, deleted, adjusted, or postponed. The differences between the needed and actual amounts above reflect these changes.

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# **FINANCIAL SECTION:**

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND  
SCHEDULES**

**NONMAJOR FUNDS**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Individual fund descriptions and financial statements begin on page 167.

### **CAPITAL PROJECTS FUNDS**

Individual fund descriptions and financial statements begin on page 195.

### **DEBT SERVICE FUND**

This fund, administered by the State Board of Administration, a blended component unit, is used to account for resources earmarked to pay principal, interest, and service charges on general long-term debt of the State.

### **PERMANENT FUNDS**

Funds in this category include those administered by the Fish and Wildlife Conservation Commission, used to support fish and wildlife conservation programs of the State, in accordance with Section 379.207, Florida Statutes. The primary source of the principal of the funds includes proceeds of gifts, grants, contributions, and the sale of lifetime licenses. Also included in this category are various private scholarship funds administered by the Department of Education and used to pay scholarship awards as specified by the contributors. Only the interest income received and accrued from the investments of these funds can be used. No disbursement is made from the principal of the funds.

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**  
**(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Funds	Totals 6/30/13
<b>ASSETS</b>					
<u>Current assets</u>					
Cash and cash equivalents	\$ 29,486	\$ .....	\$ 1,934	\$ 451	\$ 31,871
Pooled investments with State Treasury	1,399,714	5,356	.....	14,281	1,419,351
Other investments	295,597	.....	52,874	2,659	351,130
Receivables, net	408,641	2	308	7	408,958
Due from other funds	47,534	5,080	.....	.....	52,614
Inventories	1,847	.....	.....	.....	1,847
Other	162	.....	.....	.....	162
Total current assets	2,182,981	10,438	55,116	17,398	2,265,933
<u>Noncurrent assets</u>					
Long-term investments	8,774	.....	225,003	.....	233,777
Advances to other entities	1,894	.....	.....	.....	1,894
Other loans and notes receivable, net	1,006,552	.....	.....	.....	1,006,552
Total noncurrent assets	1,017,220	.....	225,003	.....	1,242,223
Total assets	\$ 3,200,201	\$ 10,438	\$ 280,119	\$ 17,398	\$ 3,508,156
<b>LIABILITIES AND FUND BALANCES</b>					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 215,794	\$ 534	\$ 20	\$ .....	\$ 216,348
Due to other funds	111,628	1	51	1	111,681
Due to component units/primary	4,385	.....	.....	.....	4,385
Compensated absences	1,785	.....	.....	.....	1,785
Claims payable	5,262	.....	.....	.....	5,262
Deposits	84,185	.....	.....	.....	84,185
Deferred revenues	90,790	.....	.....	.....	90,790
Obligations under security lending agreements	64,741	325	.....	1,125	66,191
Total current liabilities	578,570	860	71	1,126	580,627
<u>Noncurrent liabilities</u>					
Advances from other funds	625	.....	.....	.....	625
Deposits	1,894	.....	.....	.....	1,894
Deferred revenues	12,991	.....	.....	.....	12,991
Other	3,046	.....	.....	.....	3,046
Total noncurrent liabilities	18,556	.....	.....	.....	18,556
Total liabilities	597,126	860	71	1,126	599,183
<u>Fund balances</u>					
Nonspendable	13,095	.....	.....	15,839	28,934
Restricted	1,735,788	462	280,048	29	2,016,327
Committed	854,192	9,116	.....	404	863,712
Total fund balances	2,603,075	9,578	280,048	16,272	2,908,973
Total liabilities and fund balances	\$ 3,200,201	\$ 10,438	\$ 280,119	\$ 17,398	\$ 3,508,156

**2013 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Funds	Totals 6/30/13
<b>REVENUES</b>					
Taxes	\$ 224,623	\$ .....	\$ .....	\$ .....	\$ 224,623
Licenses and permits	1,253,967	.....	.....	1,689	1,255,656
Fees and charges	735,154	.....	49,984	.....	785,138
Grants and donations	2,352,088	.....	.....	.....	2,352,088
Investment earnings (losses)	22,437	(9)	25,752	309	48,489
Fines, forfeits, settlements and judgments	960,504	.....	.....	.....	960,504
Other	99,857	1	8,780	.....	108,638
Total revenues	5,648,630	(8)	84,516	1,998	5,735,136
<b>EXPENDITURES</b>					
Current:					
General government	1,963,826	1,348	3,801	.....	1,968,975
Education	186,916	1,033	.....	74	188,023
Human services	422,242	2,589	.....	.....	424,831
Criminal justice and corrections	924,921	32,286	.....	.....	957,207
Natural resources and environment	1,213,541	.....	.....	1	1,213,542
State courts	105,719	.....	.....	.....	105,719
Capital outlay	29,725	9,651	.....	.....	39,376
Debt service:					
Principal retirement	769	3,065	1,255,727	.....	1,259,561
Interest and fiscal charges	16	.....	955,063	.....	955,079
Total expenditures	4,847,675	49,972	2,214,591	75	7,112,313
Excess (deficiency) of revenues over expenditures	800,955	(49,980)	(2,130,075)	1,923	(1,377,177)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of bond issues	.....	.....	11,511	.....	11,511
Proceeds of refunding bonds	.....	.....	1,759,221	.....	1,759,221
Operating transfers in	914,463	48,033	2,208,498	.....	3,170,994
Operating transfers out	(1,718,180)	(6)	(99,808)	(182)	(1,818,176)
Proceeds of financing agreements	866	.....	.....	.....	866
Payments to refunded bond agent	.....	.....	(1,759,221)	.....	(1,759,221)
Total other financing sources (uses)	(802,851)	48,027	2,120,201	(182)	1,365,195
Net change in fund balances	(1,896)	(1,953)	(9,874)	1,741	(11,982)
Fund balances - beginning, as restated (Note 1)	2,604,971	11,531	289,922	14,531	2,920,955
Fund balances - ending	\$ 2,603,075	\$ 9,578	\$ 280,048	\$ 16,272	\$ 2,908,973

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## NONMAJOR SPECIAL REVENUE FUNDS

### EMPLOYMENT SERVICES

This fund includes internal reporting funds used for employee-service related programs of an administrative nature (non risk-related), such as workers' compensation, employment security, and labor market statistics.

### GOVERNMENT ADMINISTRATION

This fund includes internal reporting special revenue funds primarily administered by the Department of State, Department of Management Services, and Department of Financial Services.

### BUSINESS AND COMMUNITY DEVELOPMENT

This fund includes internal reporting special revenue funds primarily administered by the Executive Office of the Governor and the Department of Economic Opportunity.

### REGULATION AND LICENSING

This fund includes internal reporting special revenue funds primarily administered by the Department of Business and Professional Regulation, Department of Highway Safety and Motor Vehicles, and Department of Financial Services.

### TOBACCO SETTLEMENT

This fund includes internal reporting special revenue funds established to account for the settlement of *State of Florida, et al., v. American Tobacco Company, et al.*, Case No. 95-1466 AH, filed in the Fifteenth Judicial Circuit, in and for Palm Beach County Florida.

### PUBLIC SAFETY

This fund includes internal reporting special revenue funds primarily administered by the Department of Law Enforcement, Department of Highway Safety and Motor Vehicles, Department of Legal Affairs, and Department of Military Affairs.

### CORRECTIONS

This fund includes internal reporting special revenue funds administered by the Department of Corrections.

### CONSUMER PROTECTION AND SAFETY

This fund includes internal reporting special revenue funds primarily administered by the Executive Office of the Governor, Department of Legal Affairs, Department of Revenue, and Department of Financial Services.

### AGRICULTURE

This fund includes internal reporting special revenue funds administered by the Department of Agriculture and Consumer Services.

### JUVENILE JUSTICE

This fund includes internal reporting special revenue funds administered by the Department of Juvenile Justice.

### JUDICIAL SERVICES

This fund includes internal reporting special revenue funds primarily administered by the Justice Administrative Commission and the State Courts System.

### MILITARY AND VETERANS' AFFAIRS

This fund includes internal reporting special revenue funds administered by the Department of Military Affairs and Department of Veterans' Affairs.

### BLENDING COMPONENT UNITS

#### FLORIDA CLERKS OF COURT OPERATIONS CORPORATION

Pursuant to Section 28.35, Florida Statutes, this entity was created to recommend legislative changes in various court related fines, fees, service charges, and court costs, establish a process for reviewing and certification of proposed court-related budgets submitted by the clerks of court and establishing a system of uniform performance measures and standards for the clerks.

#### FLORIDA CITRUS COMMISSION

As authorized in Section 601.04, Florida Statutes, this entity was established to primarily promote the general welfare of the Florida citrus industry.

#### STATE BOARD OF ADMINISTRATION

This entity includes the following internal reporting special revenue funds administered by the State Board of Administration: Gas Tax Clearing Accounts and the Insurance Capital Build-up Program.

#### FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

As authorized in Section 1002.36, Florida Statutes, this entity is a State-supported residential school for hearing-impaired and visually impaired students in preschool through 12th grade.

#### WIRELESS EMERGENCY TELEPHONE SYSTEM

As authorized in Section 365.172, Florida Statutes, this system was established to promote a comprehensive statewide emergency telephone number system that will provide wireless telephone users with rapid direct access to public safety agencies.

#### WORKFORCE FLORIDA, INC.

This not-for-profit entity was created pursuant to Section 445.004, Florida Statutes, as the principal workforce policy organization for the State and the regional workforce boards.

#### FLORIDA WATER POLLUTION CONTROL FINANCING CORPORATION

Pursuant to Section 403.1837, Florida Statutes, this entity was created to finance the costs of water pollution control projects and activities described in Sections 403.1835 and 403.8532, Florida Statutes.

#### INLAND PROTECTION FINANCING CORPORATION

Pursuant to Section 376.3075, Florida Statutes, this entity was created to finance the rehabilitation of petroleum contamination sites pursuant to Sections 376.30-376.317, Florida Statutes, and the payment, purchase and settlement of reimbursement obligations of the Department of Environmental Protection pursuant to Section 376.3071(12), Florida Statutes.

#### FLORIDA SURPLUS LINES SERVICE OFFICE

Pursuant to Section 626.921, Florida Statutes, this entity was created to establish a system that would permit better access by consumers to approved unauthorized insurers.

#### CORRECTIONS FOUNDATION, INC.

This entity was organized to initiate developmental projects; raise funds; request and receive grants, gifts, and bequests; acquire, receive, hold, invest and administer securities, funds, or other property as authorized by Section 944.802, Florida Statutes.

#### SCRIPPS FLORIDA FUNDING CORPORATION

Pursuant to Section 288.955, Florida Statutes, this entity was created to facilitate the establishment and operation of a biomedical research institution for the purposes of enhancing education and research and promoting economic development and diversity.

**2013 STATE OF FLORIDA CAFR**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013  
(in thousands)**

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
<b>ASSETS</b>				
<u>Current assets</u>				
Cash and cash equivalents	\$ 1,016	\$ .....	\$ .....	\$ 933
Pooled investments with State Treasury	242,886	97,713	144,933	270,567
Other investments	4,200	.....	71,563	.....
Receivables, net	55,881	388	102,950	71,475
Due from other funds	7,363	673	4,564	7,675
Inventories	.....	.....	.....	201
Other	.....	.....	.....	62
Total current assets	311,346	98,774	324,010	350,913
<u>Noncurrent assets</u>				
Long-term investments	.....	.....	100	.....
Advances to other entities	.....	.....	1,894	.....
Other loans and notes receivable, net	10,607	.....	556	.....
Total noncurrent assets	10,607	.....	2,550	.....
Total assets	\$ 321,953	\$ 98,774	\$ 326,560	\$ 350,913
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	\$ 19,551	\$ 4,677	\$ 13,402	\$ 19,567
Due to other funds	6,051	2,385	4,426	80,462
Due to component units/primary	1,371	.....	.....	.....
Compensated absences	176	44	3	253
Claims payable	5,262	.....	.....	.....
Deposits	63	.....	2,252	68,642
Deferred revenues	.....	82	86,112	.....
Obligations under security lending agreements	18,260	6,880	2,832	13,287
Total current liabilities	50,734	14,068	109,027	182,211
<u>Noncurrent liabilities</u>				
Advances from other funds	.....	.....	.....	.....
Deposits	.....	.....	1,894	.....
Deferred revenues	.....	.....	.....	.....
Other	.....	.....	.....	.....
Total noncurrent liabilities	.....	.....	1,894	.....
Total liabilities	50,734	14,068	110,921	182,211
<u>Fund balances</u>				
Nonspendable	10,607	.....	556	263
Restricted	140,130	59,672	202,480	15,947
Committed	120,482	25,034	12,603	152,492
Total fund balances	271,219	84,706	215,639	168,702
Total liabilities and fund balances	\$ 321,953	\$ 98,774	\$ 326,560	\$ 350,913

2013 STATE OF FLORIDA CAFR

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ .....	\$ 50	\$ .....	\$ 480	\$ 539	\$ 30
31,747	96,363	16,952	81,479	81,703	54,063
.....	.....	.....	.....	.....	.....
6	6,098	124	3,627	36,694	5,043
.....	4,788	719	721	1,549	800
.....	.....	.....	.....	1,265	.....
.....	.....	.....	.....	.....	.....
31,753	107,299	17,795	86,307	121,750	59,936
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
\$ 31,753	\$ 107,299	\$ 17,795	\$ 86,307	\$ 121,750	\$ 59,936
\$ 13,511	\$ 15,333	\$ 600	\$ 5,638	\$ 36,200	\$ 11,513
459	3,177	1,003	1,159	2,253	569
2,573	.....	.....	.....	335	.....
.....	115	3	14	115	.....
.....	.....	.....	.....	.....	.....
.....	174	.....	.....	11,358	1,661
.....	867	.....	367	497	2,865
1,261	1,702	.....	2,236	5,963	383
17,804	21,368	1,606	9,414	56,721	16,991
.....	625	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	1,227	.....	87	.....	.....
.....	.....	.....	.....	.....	3,046
.....	1,852	.....	87	.....	3,046
17,804	23,220	1,606	9,501	56,721	20,037
.....	.....	.....	.....	1,265	.....
11,515	10,157	1,720	23,397	6,040	19,999
2,434	73,922	14,469	53,409	57,724	19,900
13,949	84,079	16,189	76,806	65,029	39,899
\$ 31,753	\$ 107,299	\$ 17,795	\$ 86,307	\$ 121,750	\$ 59,936

**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**  
**(in thousands)**

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Citrus Commission
<b>ASSETS</b>				
<u>Current assets</u>				
Cash and cash equivalents	\$ 11	\$ 3,361	\$ .....	\$ 6
Pooled investments with State Treasury	108,727	64,412	1,350	23,759
Other investments	.....	.....	.....	.....
Receivables, net	59	5,222	.....	1,687
Due from other funds	1,246	53	.....	.....
Inventories	.....	.....	.....	377
Other	.....	.....	.....	32
Total current assets	110,043	73,048	1,350	25,861
<u>Noncurrent assets</u>				
Long-term investments	.....	.....	.....	.....
Advances to other entities	.....	.....	.....	.....
Other loans and notes receivable, net	.....	.....	.....	.....
Total noncurrent assets	.....	.....	.....	.....
Total assets	\$ 110,043	\$ 73,048	\$ 1,350	\$ 25,861
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	\$ 19,236	\$ 2,783	\$ 1,350	\$ 6,176
Due to other funds	3,478	748	.....	645
Due to component units/primary	.....	.....	.....	106
Compensated absences	176	885	.....	1
Claims payable	.....	.....	.....	.....
Deposits	35	.....	.....	.....
Deferred revenues	.....	.....	.....	.....
Obligations under security lending agreements	.....	3,685	.....	1,848
Total current liabilities	22,925	8,101	1,350	8,776
<u>Noncurrent liabilities</u>				
Advances from other funds	.....	.....	.....	.....
Deposits	.....	.....	.....	.....
Deferred revenues	.....	.....	.....	.....
Other	.....	.....	.....	.....
Total noncurrent liabilities	.....	.....	.....	.....
Total liabilities	22,925	8,101	1,350	8,776
<u>Fund balances</u>				
Nonspendable	.....	.....	.....	386
Restricted	12,205	7,312	.....	16,699
Committed	74,913	57,635	.....	.....
Total fund balances	87,118	64,947	.....	17,085
Total liabilities and fund balances	\$ 110,043	\$ 73,048	\$ 1,350	\$ 25,861

## 2013 STATE OF FLORIDA CAFR

## Blended Component Units

State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	Workforce Florida Inc	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp
\$ 770	\$ 95	\$ .....	\$ 11,577	\$ .....	\$ .....
.....	1,473	28,306	.....	53,281	.....
4,092	10,833	.....	.....	191,944	1
13,629	32	13,217	947	91,540	.....
17,239	144	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	46	.....	.....
35,730	12,577	41,523	12,570	336,765	1
326	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
141,010	.....	.....	.....	854,379	.....
141,336	.....	.....	.....	854,379	.....
\$ 177,066	\$ 12,577	\$ 41,523	\$ 12,570	\$ 1,191,144	\$ 1
\$ 17,241	\$ 464	\$ 24,449	\$ 167	\$ .....	\$ .....
4,797	.....	11	.....	5	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	2,208	.....	4,196	.....
22,038	464	26,668	167	4,201	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	11,677	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	11,677	.....	.....
22,038	464	26,668	11,844	4,201	.....
.....	.....	.....	.....	.....	.....
.....	11,730	.....	726	1,186,943	.....
155,028	383	14,855	.....	.....	1
155,028	12,113	14,855	726	1,186,943	1
\$ 177,066	\$ 12,577	\$ 41,523	\$ 12,570	\$ 1,191,144	\$ 1

**2013 STATE OF FLORIDA CAFR**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013  
(in thousands)**

	Blended Component Units			
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Totals 6/30/13
<b>ASSETS</b>				
<u>Current assets</u>				
Cash and cash equivalents	\$ 9,566	\$ 752	\$ 300	\$ 29,486
Pooled investments with State Treasury	.....	.....	.....	1,399,714
Other investments	475	.....	12,489	295,597
Receivables, net	22	.....	.....	408,641
Due from other funds	.....	.....	.....	47,534
Inventories	.....	4	.....	1,847
Other	8	.....	14	162
Total current assets	10,071	756	12,803	2,182,981
<u>Noncurrent assets</u>				
Long-term investments	8,348	.....	.....	8,774
Advances to other entities	.....	.....	.....	1,894
Other loans and notes receivable, net	.....	.....	.....	1,006,552
Total noncurrent assets	8,348	.....	.....	1,017,220
Total assets	\$ 18,419	\$ 756	\$ 12,803	\$ 3,200,201
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	\$ 229	\$ 5	\$ 3,702	\$ 215,794
Due to other funds	.....	.....	.....	111,628
Due to component units/primary	.....	.....	.....	4,385
Compensated absences	.....	.....	.....	1,785
Claims payable	.....	.....	.....	5,262
Deposits	.....	.....	.....	84,185
Deferred revenues	.....	.....	.....	90,790
Obligations under security lending agreements	.....	.....	.....	64,741
Total current liabilities	229	5	3,702	578,570
<u>Noncurrent liabilities</u>				
Advances from other funds	.....	.....	.....	625
Deposits	.....	.....	.....	1,894
Deferred revenues	.....	.....	.....	12,991
Other	.....	.....	.....	3,046
Total noncurrent liabilities	.....	.....	.....	18,556
Total liabilities	229	5	3,702	597,126
<u>Fund balances</u>				
Nonspendable	.....	4	14	13,095
Restricted	.....	29	9,087	1,735,788
Committed	18,190	718	.....	854,192
Total fund balances	18,190	751	9,101	2,603,075
Total liabilities and fund balances	\$ 18,419	\$ 756	\$ 12,803	\$ 3,200,201

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2013 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
<b>REVENUES</b>				
Taxes	\$ .....	\$ .....	\$ .....	\$ 185,911
Licenses and permits	.....	.....	.....	1,229,477
Fees and charges	125,582	26,934	2,048	89,171
Grants and donations	573,400	15,541	463,956	10
Investment earnings (losses)	317	65	1,500	45
Fines, forfeits, settlements and judgments	14,469	3	.....	12,272
Other	4,384	107	25,905	1,573
Total revenues	718,152	42,650	493,409	1,518,459
<b>EXPENDITURES</b>				
Current:				
General government	538,501	110,489	614,536	215,836
Education	182,244	.....	.....	.....
Human services	.....	.....	.....	.....
Criminal justice and corrections	.....	.....	.....	.....
Natural resources and environment	.....	.....	.....	1
State courts	.....	.....	.....	.....
Capital outlay	2,451	714	780	3,628
Debt service:				
Principal retirement	.....	21	.....	377
Interest and fiscal charges	.....	1	.....	11
Total expenditures	723,196	111,225	615,316	219,853
Excess (deficiency) of revenues over expenditures	(5,044)	(68,575)	(121,907)	1,298,606
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	98,770	72,652	187,700	80,638
Operating transfers out	(89,963)	(9,317)	(52,237)	(1,357,972)
Proceeds of financing agreements	.....	.....	.....	866
Total other financing sources (uses)	8,807	63,335	135,463	(1,276,468)
Net change in fund balances	3,763	(5,240)	13,556	22,138
Fund balances - beginning, as restated (Note 1)	267,456	89,946	202,083	146,564
Fund balances - ending	\$ 271,219	\$ 84,706	\$ 215,639	\$ 168,702

2013 STATE OF FLORIDA CAFR

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ 1
.....	.....	.....	.....	23,879	.....
.....	87,186	6,514	3,301	76,670	69,381
.....	33,665	11,245	44,408	1,083,276	4,856
190	32	71	43	550	(14)
366,598	40,026	2	25,800	4,455	1,696
1	2,630	22,034	38,581	2,465	24
366,789	163,539	39,866	112,133	1,191,295	75,944
33	23,541	.....	28,320	.....	.....
.....	.....	.....	.....	.....	.....
347,991	.....	.....	.....	.....	.....
.....	130,836	37,799	99,353	.....	135,256
.....	.....	.....	.....	1,213,540	.....
.....	.....	.....	.....	.....	.....
331	4,262	785	143	4,094	315
.....	371	.....	.....	.....	.....
.....	4	.....	.....	.....	.....
348,355	159,014	38,584	127,816	1,217,634	135,571
18,434	4,525	1,282	(15,683)	(26,339)	(59,627)
13,220	33,092	12,576	29,300	42,562	74,174
(27,053)	(22,155)	(11,339)	(9,418)	(17,687)	(2,153)
.....	.....	.....	.....	.....	.....
(13,833)	10,937	1,237	19,882	24,875	72,021
4,601	15,462	2,519	4,199	(1,464)	12,394
9,348	68,617	13,670	72,607	66,493	27,505
\$ 13,949	\$ 84,079	\$ 16,189	\$ 76,806	\$ 65,029	\$ 39,899

## 2013 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Citrus Commission
<b>REVENUES</b>				
Taxes	\$ .....	\$ .....	\$ .....	\$ 38,711
Licenses and permits	611	.....	.....	.....
Fees and charges	91,308	43,416	1,773	21
Grants and donations	12,945	88,100	.....	4,821
Investment earnings (losses)	.....	25	.....	(121)
Fines, forfeits, settlements and judgments	495,133	50	.....	.....
Other	1,574	419	.....	35
Total revenues	601,571	132,010	1,773	43,467
<b>EXPENDITURES</b>				
Current:				
General government	359	52,652	.....	44,027
Education	.....	.....	.....	.....
Human services	.....	74,251	.....	.....
Criminal justice and corrections	518,471	.....	2,514	.....
Natural resources and environment	.....	.....	.....	.....
State courts	105,719	.....	.....	.....
Capital outlay	4,126	6,972	1	184
Debt service:				
Principal retirement	.....	.....	.....	.....
Interest and fiscal charges	.....	.....	.....	.....
Total expenditures	628,675	133,875	2,515	44,211
Excess (deficiency) of revenues over expenditures	(27,104)	(1,865)	(742)	(744)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	68,672	7,328	.....	.....
Operating transfers out	(38,206)	(923)	(109)	(1,585)
Proceeds of financing agreements	.....	.....	.....	.....
Total other financing sources (uses)	30,466	6,405	(109)	(1,585)
Net change in fund balances	3,362	4,540	(851)	(2,329)
Fund balances - beginning, as restated (Note 1)	83,756	60,407	851	19,414
Fund balances - ending	\$ 87,118	\$ 64,947	\$ .....	\$ 17,085

## 2013 STATE OF FLORIDA CAFR

Blended Component Units					
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	Workforce Florida Inc	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp
\$	\$	\$	\$	\$	\$
.....	.....	.....	.....	.....	.....
.....	653	107,555	.....	.....	.....
.....	2,272	.....	12,741	.....	.....
4,043	297	(4)	.....	15,207	.....
.....	.....	.....	.....	.....	.....
.....	1	.....	38	.....	.....
4,043	3,223	107,551	12,779	15,207	.....
192,153	.....	105,736	12,763	135	.....
.....	4,672	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	77	3	22	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
192,153	4,749	105,739	12,785	135	.....
(188,110)	(1,526)	1,812	(6)	15,072	.....
192,073	1,706	.....	.....	.....	.....
(19,952)	(40)	(75)	.....	(57,996)	.....
.....	.....	.....	.....	.....	.....
172,121	1,666	(75)	.....	(57,996)	.....
(15,989)	140	1,737	(6)	(42,924)	.....
171,017	11,973	13,118	732	1,229,867	1
\$ 155,028	\$ 12,113	\$ 14,855	\$ 726	\$ 1,186,943	\$ 1

**2013 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	Blended Component Units			
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Totals 6/30/13
<b>REVENUES</b>				
Taxes	\$ .....	\$ .....	\$ .....	\$ 224,623
Licenses and permits	.....	.....	.....	1,253,967
Fees and charges	3,641	.....	.....	735,154
Grants and donations	.....	852	.....	2,352,088
Investment earnings (losses)	144	.....	47	22,437
Fines, forfeits, settlements and judgments	.....	.....	.....	960,504
Other	86	.....	.....	99,857
Total revenues	3,871	852	47	5,648,630
<b>EXPENDITURES</b>				
Current:				
General government	5,383	.....	19,362	1,963,826
Education	.....	.....	.....	186,916
Human services	.....	.....	.....	422,242
Criminal justice and corrections	.....	692	.....	924,921
Natural resources and environment	.....	.....	.....	1,213,541
State courts	.....	.....	.....	105,719
Capital outlay	837	.....	.....	29,725
Debt service:				
Principal retirement	.....	.....	.....	769
Interest and fiscal charges	.....	.....	.....	16
Total expenditures	6,220	692	19,362	4,847,675
Excess (deficiency) of revenues over expenditures	(2,349)	160	(19,315)	800,955
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	.....	.....	.....	914,463
Operating transfers out	.....	.....	.....	(1,718,180)
Proceeds of financing agreements	.....	.....	.....	866
Total other financing sources (uses)	.....	.....	.....	(802,851)
Net change in fund balances	(2,349)	160	(19,315)	(1,896)
Fund balances - beginning, as restated (Note 1)	20,539	591	28,416	2,604,971
Fund balances - ending	\$ 18,190	\$ 751	\$ 9,101	\$ 2,603,075

**2013 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	<u>Employment Services</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund Balances, July 1, 2012	\$ 181,322	\$ 181,322	\$ .....
Reversions	14,539	14,539	.....
Fund Balances, July 1, 2012, restated	<u>195,861</u>	<u>195,861</u>	<u>.....</u>
<b>REVENUES</b>			
Fees and charges	112,958	118,326	5,368
Licenses	881	949	68
Miscellaneous	1,323	1,211	(112)
Interest	4,175	3,896	(279)
Grants	567,319	578,341	11,022
Refunds	6,660	6,210	(450)
Transfers and distributions	98,663	97,185	(1,478)
Other	13,152	14,720	1,568
Total Revenues	<u>805,131</u>	<u>820,838</u>	<u>15,707</u>
Total Available Resources	<u>1,000,992</u>	<u>1,016,699</u>	<u>15,707</u>
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	132,030	122,091	9,939
Other personal services	20,099	13,418	6,681
Expenses	41,373	29,767	11,606
Grants and aids	4,522	3,175	1,347
Operating capital outlay	3,030	1,337	1,693
Food products	200	90	110
Special categories	542,943	527,713	15,230
Data processing services	5,244	4,724	520
Total Operating Expenditures	<u>749,441</u>	<u>702,315</u>	<u>47,126</u>
Nonoperating expenditures:			
Transfers	53,315	53,315	.....
Refunds	900	900	.....
Other	89,548	89,548	.....
Total Nonoperating Expenditures	<u>143,763</u>	<u>143,763</u>	<u>.....</u>
Total Expenditures	<u>893,204</u>	<u>846,078</u>	<u>47,126</u>
Fund Balances, June 30, 2013	\$ 107,788	\$ 170,621	\$ 62,833

**2013 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	Government Administration		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 87,312	\$ 87,312	\$ .....
Reversions	375	375	.....
Fund Balances, July 1, 2012, restated	87,687	87,687	.....
<b>REVENUES</b>			
Fees and charges	90,676	65,901	(24,775)
Interest	1,972	1,511	(461)
Grants	17,814	16,779	(1,035)
Refunds	.....	170	170
Transfers and distributions	8,263	33,708	25,445
Other	.....	106	106
Total Revenues	118,725	118,175	(550)
Total Available Resources	206,412	205,862	(550)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	33,950	33,000	950
Other personal services	2,483	1,547	936
Expenses	7,788	6,753	1,035
Grants and aids	2,479	2,364	115
Operating capital outlay	316	265	51
Fixed capital outlay	376	376	.....
Special categories	71,118	66,404	4,714
Data processing services	424	384	40
Total Operating Expenditures	118,934	111,093	7,841
Nonoperating expenditures:			
Transfers	4,343	4,343	.....
Refunds	30	30	.....
Other	4,653	4,653	.....
Total Nonoperating Expenditures	9,026	9,026	.....
Total Expenditures	127,960	120,119	7,841
Fund Balances, June 30, 2013	\$ 78,452	\$ 85,743	\$ 7,291

**2013 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	<b>Business and Community Development</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Fund Balances, July 1, 2012	\$ 72,045	\$ 72,045	\$ .....
Reversions	77,210	77,210	.....
Fund Balances, July 1, 2012, restated	149,255	149,255	.....
<b>REVENUES</b>			
Fees and charges	2,038	2,058	20
Interest	2,298	2,013	(285)
Grants	585,260	472,089	(113,171)
Refunds	25,917	26,010	93
Employee/employer contributions	12	11	(1)
Transfers and distributions	198,818	187,883	(10,935)
Other	115	148	33
Total Revenues	814,458	690,212	(124,246)
Total Available Resources	963,713	839,467	(124,246)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	11,047	10,178	869
Other personal services	1,345	1,088	257
Expenses	3,953	2,969	984
Grants and aids	5,857	3,208	2,649
Operating capital outlay	41	5	36
Special categories	689,236	507,342	181,894
Grants/aids to local governments	123,441	123,441	.....
Data processing services	353	309	44
Total Operating Expenditures	835,273	648,540	186,733
Nonoperating expenditures:			
Transfers	46,302	46,302	.....
Refunds	2,026	2,026	.....
Other	416	416	.....
Total Nonoperating Expenditures	48,744	48,744	.....
Total Expenditures	884,017	697,284	186,733
Fund Balances, June 30, 2013	\$ 79,696	\$ 142,183	\$ 62,487

**2013 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	<u>Regulation and Licensing</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund Balances, July 1, 2012	\$ 238,141	\$ 238,141	\$ .....
Reversions	878	878	.....
Fund Balances, July 1, 2012, restated	<u>239,019</u>	<u>239,019</u>	<u>.....</u>
<b>REVENUES</b>			
Fees and charges	128,550	124,654	(3,896)
Licenses	1,242,438	1,214,294	(28,144)
Taxes	176,362	174,595	(1,767)
Miscellaneous	1,670	2,732	1,062
Interest	2,165	2,666	501
Refunds	339	1,525	1,186
Transfers and distributions	10,269	57,072	46,803
Other	11,987	12,280	293
Total Revenues	<u>1,573,780</u>	<u>1,589,818</u>	<u>16,038</u>
Total Available Resources	<u>1,812,799</u>	<u>1,828,837</u>	<u>16,038</u>
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	112,367	106,448	5,919
Other personal services	3,341	2,453	888
Expenses	20,010	18,215	1,795
Operating capital outlay	1,818	1,725	93
Fixed capital outlay	604	490	114
Special categories	44,604	33,956	10,648
Data processing services	2,282	2,099	183
Continuing Appropriations	200	200	.....
Total Operating Expenditures	<u>185,226</u>	<u>165,586</u>	<u>19,640</u>
Nonoperating expenditures:			
Transfers	1,332,510	1,332,510	.....
Refunds	4,745	4,745	.....
Other	73,247	73,247	.....
Total Nonoperating Expenditures	<u>1,410,502</u>	<u>1,410,502</u>	<u>.....</u>
Total Expenditures	<u>1,595,728</u>	<u>1,576,088</u>	<u>19,640</u>
Fund Balances, June 30, 2013	\$ 217,071	\$ 252,749	\$ 35,678

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	Tobacco Settlement		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 8,265	\$ 8,265	\$ .....
Reversions	3,040	3,040	.....
Fund Balances, July 1, 2012, restated	11,305	11,305	.....
<b>REVENUES</b>			
Interest	1,403	432	(971)
Refunds	.....	254	254
Transfers and distributions	378,722	378,722	.....
Other	368,228	379,615	11,387
Total Revenues	748,353	759,023	10,670
Total Available Resources	759,658	770,328	10,670
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	296	275	21
Expenses	133	104	29
Grants and aids	11,554	11,555	(1)
Fixed capital outlay	296	296	.....
Special categories	365,718	363,601	2,117
Grants/aids to local governments	998	998	.....
Total Operating Expenditures	378,995	376,829	2,166
Nonoperating expenditures:			
Transfers	379,662	379,662	.....
Total Nonoperating Expenditures	379,662	379,662	.....
Total Expenditures	758,657	756,491	2,166
Fund Balances, June 30, 2013	\$ 1,001	\$ 13,837	\$ 12,836

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	Public Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 63,429	\$ 63,429	\$ .....
Reversions	2,771	2,771	.....
Fund Balances, July 1, 2012, restated	66,200	66,200	.....
<b>REVENUES</b>			
Fees and charges	76,571	80,897	4,326
Miscellaneous	.....	42	42
Interest	305	346	41
Grants	50,129	34,383	(15,746)
Refunds	908	1,606	698
Transfers and distributions	61,079	43,463	(17,616)
Other	52,187	46,447	(5,740)
Total Revenues	241,179	207,184	(33,995)
Total Available Resources	307,379	273,384	(33,995)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	56,914	47,334	9,580
Other personal services	4,382	1,520	2,862
Expenses	24,680	18,658	6,022
Grants and aids	29,692	12,573	17,119
Operating capital outlay	6,740	3,297	3,443
Fixed capital outlay	1,139	1,139	.....
Special categories	80,381	80,381	.....
Data processing services	36	2	34
Total Operating Expenditures	203,964	164,904	39,060
Nonoperating expenditures:			
Transfers	880	880	.....
Refunds	663	663	.....
Other	25,766	25,766	.....
Total Nonoperating Expenditures	27,309	27,309	.....
Total Expenditures	231,273	192,213	39,060
Fund Balances, June 30, 2013	\$ 76,106	\$ 81,171	\$ 5,065

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	Corrections		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 30,934	\$ 30,934	\$ .....
Reversions	417	417	.....
Fund Balances, July 1, 2012, restated	31,351	31,351	.....
<b>REVENUES</b>			
Fees and charges	6,660	6,657	(3)
Grants	11,070	11,070	.....
Refunds	.....	3,390	3,390
Transfers and distributions	13,840	13,816	(24)
Other	258	272	14
Total Revenues	31,828	35,205	3,377
Total Available Resources	63,179	66,556	3,377
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	9,287	4,877	4,410
Other personal services	1,145	553	592
Expenses	7,426	3,575	3,851
Operating capital outlay	530	530	.....
Food products	615	243	372
Fixed capital outlay	460	460	.....
Special categories	17,785	17,785	.....
Data processing services	23	5	18
Total Operating Expenditures	37,271	28,028	9,243
Nonoperating expenditures:			
Transfers	624	624	.....
Refunds	21,356	21,356	.....
Other	503	503	.....
Total Nonoperating Expenditures	22,483	22,483	.....
Total Expenditures	59,754	50,511	9,243
Fund Balances, June 30, 2013	\$ 3,425	\$ 16,045	\$ 12,620

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	Consumer Protection and Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 91,268	\$ 91,268	\$ .....
Reversions	965	965	.....
Fund Balances, July 1, 2012, restated	92,233	92,233	.....
<b>REVENUES</b>			
Fees and charges	3,209	3,300	91
Interest	503	520	17
Grants	20,308	19,694	(614)
Refunds	773	37,059	36,286
Transfers and distributions	52,273	31,599	(20,674)
Other	25,847	27,946	2,099
Total Revenues	102,913	120,118	17,205
Total Available Resources	195,146	212,351	17,205
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	26,371	19,565	6,806
Other personal services	425	37	388
Expenses	3,070	2,181	889
Operating capital outlay	547	93	454
Special categories	97,702	78,139	19,563
Grants/aids to local governments	723	723	.....
Data processing services	62	21	41
Total Operating Expenditures	128,900	100,759	28,141
Nonoperating expenditures:			
Transfers	3,346	3,346	.....
Refunds	35,910	35,910	.....
Other	4,825	4,825	.....
Total Nonoperating Expenditures	44,081	44,081	.....
Total Expenditures	172,981	144,840	28,141
Fund Balances, June 30, 2013	\$ 22,165	\$ 67,511	\$ 45,346

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	Agriculture		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 23,063	\$ 23,063	\$ .....
Reversions	5,908	5,908	.....
Fund Balances, July 1, 2012, restated	28,971	28,971	.....
<b>REVENUES</b>			
Fees and charges	81,202	81,757	555
Licenses	24,263	24,305	42
Taxes	575	575	.....
Miscellaneous	199	199	.....
Interest	1,332	1,343	11
Grants	1,171,398	977,621	(193,777)
Refunds	2,261	2,247	(14)
Transfers and distributions	53,597	53,892	295
Other	5,025	5,045	20
Total Revenues	1,339,852	1,146,984	(192,868)
Total Available Resources	1,368,823	1,175,955	(192,868)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	98,359	89,105	9,254
Other personal services	7,915	5,662	2,253
Expenses	32,599	28,921	3,678
Grants and aids	1,071,692	906,170	165,522
Operating capital outlay	2,646	2,310	336
Fixed capital outlay	2,824	2,824	.....
Special categories	61,536	61,536	.....
Grants/aids to local governments	22,417	22,417	.....
Total Operating Expenditures	1,299,988	1,118,945	181,043
Nonoperating expenditures:			
Payments to U.S. Treasury	5,192	5,192	.....
Transfers	13,490	13,490	.....
Refunds	1,870	1,870	.....
Other	10,912	10,912	.....
Total Nonoperating Expenditures	31,464	31,464	.....
Total Expenditures	1,331,452	1,150,409	181,043
Fund Balances, June 30, 2013	\$ 37,371	\$ 25,546	\$ (11,825)

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	Juvenile Justice		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 31,050	\$ 31,050	\$ .....
Reversions	2,667	2,667	.....
Fund Balances, July 1, 2012, restated	33,717	33,717	.....
<b>REVENUES</b>			
Fees and charges	71,807	68,610	(3,197)
Interest	150	84	(66)
Grants	10,498	3,574	(6,924)
Refunds	.....	21	21
Transfers and distributions	74,475	73,986	(489)
Other	1,684	1,699	15
Total Revenues	158,614	147,974	(10,640)
Total Available Resources	192,331	181,691	(10,640)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	70,394	58,714	11,680
Other personal services	3,060	2,486	574
Expenses	9,282	7,385	1,897
Grants and aids	413	.....	413
Operating capital outlay	457	375	82
Food products	3,044	1,372	1,672
Special categories	66,531	66,531	.....
Total Operating Expenditures	153,181	136,863	16,318
Nonoperating expenditures:			
Transfers	1	1	.....
Refunds	496	496	.....
Other	1,645	1,645	.....
Total Nonoperating Expenditures	2,142	2,142	.....
Total Expenditures	155,323	139,005	16,318
Fund Balances, June 30, 2013	\$ 37,008	\$ 42,686	\$ 5,678

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	Judicial Services		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 90,192	\$ 90,192	\$ .....
Reversions	1,140	1,140	.....
Fund Balances, July 1, 2012, restated	91,332	91,332	.....
<b>REVENUES</b>			
Fees and charges	92,720	98,020	5,300
Licenses	611	611	.....
Grants	12,856	13,029	173
Refunds	1,490	1,491	1
Transfers and distributions	146,142	146,142	.....
Other	495,180	496,575	1,395
Total Revenues	748,999	755,868	6,869
Total Available Resources	840,331	847,200	6,869
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	193,466	166,859	26,607
Other personal services	6,563	3,175	3,388
Expenses	4,020	3,031	989
Operating capital outlay	208	12	196
Special categories	441,370	441,370	.....
Data processing services	3,958	3,738	220
Total Operating Expenditures	649,585	618,185	31,400
Nonoperating expenditures:			
Transfers	76,648	76,648	.....
Refunds	256	256	.....
Other	49,659	49,359	300
Total Nonoperating Expenditures	126,563	126,263	300
Total Expenditures	776,148	744,448	31,700
Fund Balances, June 30, 2013	\$ 64,183	\$ 102,752	\$ 38,569

**2013 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	<u>Military and Veterans' Affairs</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund Balances, July 1, 2012	\$ 53,250	\$ 53,250	\$ .....
Reversions	895	895	.....
Fund Balances, July 1, 2012, restated	<u>54,145</u>	<u>54,145</u>	<u>.....</u>
<b>REVENUES</b>			
Fees and charges	43,080	46,194	3,114
Miscellaneous	14	2	(12)
Interest	860	767	(93)
Grants	88,101	83,887	(4,214)
Refunds	354	311	(43)
Transfers and distributions	9,756	6,191	(3,565)
Other	72	66	(6)
Total Revenues	<u>142,237</u>	<u>137,418</u>	<u>(4,819)</u>
Total Available Resources	<u>196,382</u>	<u>191,563</u>	<u>(4,819)</u>
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	56,721	53,730	2,991
Other personal services	3,084	2,199	885
Expenses	30,060	29,375	685
Operating capital outlay	1,054	961	93
Food products	3,677	3,480	197
Fixed capital outlay	19,148	19,148	.....
Special categories	27,916	23,025	4,891
Total Operating Expenditures	<u>141,660</u>	<u>131,918</u>	<u>9,742</u>
Nonoperating expenditures:			
Transfers	1,253	1,253	.....
Refunds	850	850	.....
Other	791	791	.....
Total Nonoperating Expenditures	<u>2,894</u>	<u>2,894</u>	<u>.....</u>
Total Expenditures	<u>144,554</u>	<u>134,812</u>	<u>9,742</u>
Fund Balances, June 30, 2013	<u>\$ 51,828</u>	<u>\$ 56,751</u>	<u>\$ 4,923</u>

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	Citrus Commission		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 15,650	\$ 15,650	\$ .....
Reversions	2,461	2,461	.....
Fund Balances, July 1, 2012, restated	18,111	18,111	.....
<b>REVENUES</b>			
Taxes	39,503	38,718	(785)
Miscellaneous	93	22	(71)
Interest	404	302	(102)
Grants	4,834	5,174	340
Refunds	.....	34	34
Transfers and distributions	25	.....	(25)
Other	.....	44	44
Total Revenues	44,859	44,294	(565)
Total Available Resources	62,970	62,405	(565)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	5,363	3,941	1,422
Other personal services	248	131	117
Expenses	2,850	666	2,184
Operating capital outlay	371	184	187
Special categories	52,215	36,185	16,030
Data processing services	36	22	14
Total Operating Expenditures	61,083	41,129	19,954
Nonoperating expenditures:			
Refunds	17	17	.....
Other	1,535	6,649	(5,114)
Total Nonoperating Expenditures	1,552	6,666	(5,114)
Total Expenditures	62,635	47,795	14,840
Fund Balances, June 30, 2013	\$ 335	\$ 14,610	\$ 14,275

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	School for the Deaf and the Blind		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 1,644	\$ 1,644	\$ .....
Carry forward adjustment	.....	.....	.....
Fund Balances, July 1, 2012, restated	1,644	1,644	.....
<b>REVENUES</b>			
Grants	1,422	1,447	25
Refunds	.....	1	1
Transfers and distributions	1,760	1,692	(68)
Total Revenues	3,182	3,140	(42)
Total Available Resources	4,826	4,784	(42)
<b>EXPENDITURES</b>			
Operating expenditures:			
Special categories	3,238	3,238	.....
Continuing appropriations	72	72	.....
Total Operating Expenditures	3,310	3,310	.....
Nonoperating expenditures:			
Transfers	1	1	.....
Total Nonoperating Expenditures	1	1	.....
Total Expenditures	3,311	3,311	.....
Fund Balances, June 30, 2013	\$ 1,515	\$ 1,473	\$ (42)

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	Wireless Emergency Telephone System		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2012	\$ 1,120	\$ 1,120	\$ .....
Reversions	1,935	1,935	.....
Fund Balances, July 1, 2012, restated	3,055	3,055	.....
<b>REVENUES</b>			
Interest	502	507	5
Refunds	.....	464	464
Other	106,000	105,818	(182)
Total Revenues	106,502	106,789	287
Total Available Resources	109,557	109,844	287
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	419	331	88
Other personal services	84	28	56
Expenses	515	105	410
Grants and aids	107,348	107,348	.....
Operating capital outlay	4	1	3
Special categories	301	301	.....
Data processing services	2	2	.....
Total Operating Expenditures	108,673	108,116	557
Nonoperating expenditures:			
Transfers	73	73	.....
Refunds	1	1	.....
Total Nonoperating Expenditures	74	74	.....
Total Expenditures	108,747	108,190	557
Fund Balances, June 30, 2013	\$ 810	\$ 1,654	\$ 844

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## **CAPITAL PROJECTS FUNDS**

### **GENERAL GOVERNMENT**

This fund includes various internal reporting capital projects funds administered by various agencies, primarily the Department of Corrections and the Department of Health, to account for resources used for the acquisition or construction of major capital facilities other than those financed by other funds.

### **OTHER**

This fund includes various internal reporting capital projects funds administered by other agencies.

### **FLORIDA SCHOOL FOR THE DEAF AND THE BLIND**

This capital projects fund is administered by the School for the Deaf and the Blind.

2013 STATE OF FLORIDA CAFR

**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2013**  
**(in thousands)**

	General Government	Other	School for the Deaf and the Blind	Totals 6/30/13
<b>ASSETS</b>				
<u>Current assets</u>				
Pooled investments with State Treasury	\$ 207	\$ 4,430	\$ 719	\$ 5,356
Receivables, net	.....	2	.....	2
Due from other funds	5,080	.....	.....	5,080
Total current assets	5,287	4,432	719	10,438
Total assets	\$ 5,287	\$ 4,432	\$ 719	\$ 10,438
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	\$ .....	\$ 277	\$ 257	\$ 534
Due to other funds	.....	1	.....	1
Obligations under security lending agreements	.....	325	.....	325
Total current liabilities	.....	603	257	860
Total liabilities	.....	603	257	860
<u>Fund balances</u>				
Restricted	.....	.....	462	462
Committed	5,287	3,829	.....	9,116
Total fund balances	5,287	3,829	462	9,578
Total liabilities and fund balances	\$ 5,287	\$ 4,432	\$ 719	\$ 10,438

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	General Government	Other	School for the Deaf and the Blind	Totals 6/30/13
<b>REVENUES</b>				
Investment earnings (losses)	\$ .....	\$ (9)	\$ .....	\$ (9)
Other	.....	.....	1	1
Total revenues	.....	(9)	1	(8)
<b>EXPENDITURES</b>				
Current:				
General government	792	556	.....	1,348
Education	.....	.....	1,033	1,033
Human services	2,589	.....	.....	2,589
Criminal justice and corrections	32,286	.....	.....	32,286
Capital outlay	4,382	.....	5,269	9,651
Debt service:				
Principal retirement	3,065	.....	.....	3,065
Total expenditures	43,114	556	6,302	49,972
Excess (deficiency) of revenues over expenditures	(43,114)	(565)	(6,301)	(49,980)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	41,863	.....	6,170	48,033
Operating transfers out	.....	(6)	.....	(6)
Total other financing sources (uses)	41,863	(6)	6,170	48,027
Net change in fund balances	(1,251)	(571)	(131)	(1,953)
Fund balances - beginning, as restated (Note 1)	6,538	4,400	593	11,531
Fund balances - ending	\$ 5,287	\$ 3,829	\$ 462	\$ 9,578

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**NONMAJOR ENTERPRISE FUNDS**

**OTHER**

This category includes various internal reporting enterprise funds, most of whom regulate activities and are funded by the collection of fees.

**FLORIDA ENGINEERS MANAGEMENT CORPORATION**

This blended component unit was created for the benefit of the Department of Business and Professional Regulation and the Board of Professional Engineers for the purpose of providing administrative, investigative, and prosecutorial services as provided in Section 471.038, Florida Statutes.

**SPACE FLORIDA**

Pursuant to Section 331.302, Florida Statutes, this entity was created to promote aerospace business development by facilitating business financing, spaceport operations, research and development, workforce development, and innovative education programs.

**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2013**  
**(in thousands)**

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/13
<b>ASSETS</b>				
<u>Current assets</u>				
Cash and cash equivalents	\$ 2,439	\$ 119	\$ 7,049	\$ 9,607
Pooled investments with State Treasury	304,752	.....	.....	304,752
Other investments	13,238	.....	4,290	17,528
Receivables, net	7,875	.....	13,225	21,100
Due from other funds	6,920	.....	.....	6,920
Due from component units/primary	2	.....	.....	2
Other	.....	67	872	939
Total current assets	335,226	186	25,436	360,848
<u>Noncurrent assets</u>				
Long-term investments	59,077	.....	.....	59,077
Other loans and notes receivable, net	.....	.....	3,304	3,304
<u>Capital assets</u>				
Buildings, equipment, and other depreciable assets	29,191	467	77,050	106,708
Accumulated depreciation	(23,230)	(305)	(17,492)	(41,027)
Construction work in progress	.....	.....	15,586	15,586
Total noncurrent assets	65,038	162	78,448	143,648
Total assets	400,264	348	103,884	504,496
<b>LIABILITIES</b>				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	8,831	103	5,871	14,805
Due to other funds	8,274	.....	.....	8,274
Due to component units/primary	10	.....	.....	10
Compensated absences	4,163	.....	66	4,229
Installment purchases/capital leases	.....	.....	977	977
Deposits	6,542	.....	.....	6,542
Deferred revenues	43,881	.....	3,319	47,200
Obligations under security lending agreements	20,291	.....	.....	20,291
Total current liabilities	91,992	103	10,233	102,328
<u>Noncurrent liabilities</u>				
Installment purchases/capital leases	.....	.....	3,121	3,121
Compensated absences	13,046	.....	78	13,124
Other noncurrent liabilities	16,262	.....	1,332	17,594
Total noncurrent liabilities	29,308	.....	4,531	33,839
Total liabilities	121,300	103	14,764	136,167
<b>NET POSITION</b>				
Net investment in capital assets	5,962	163	75,143	81,268
Restricted - other	.....	.....	4,165	4,165
Unrestricted	273,002	82	9,812	282,896
Total net position	\$ 278,964	\$ 245	\$ 89,120	\$ 368,329

**2013 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/13
<b>OPERATING REVENUES</b>				
Sales - nonstate	\$ 90,981	\$ .....	\$ 2,434	\$ 93,415
Fees	226,214	2,124	.....	228,338
Sales - state	34,770	.....	.....	34,770
Rents and royalties - nonstate	7	.....	.....	7
Rents - state	97	.....	.....	97
Fines, forfeits, settlements and judgments	15,280	.....	.....	15,280
Other	2	.....	.....	2
Total operating revenues	367,351	2,124	2,434	371,909
<b>OPERATING EXPENSES</b>				
Contractual services	59,585	722	18,683	78,990
Personal services	157,007	1,253	2,030	160,290
Depreciation	1,903	65	3,832	5,800
Materials and supplies	6,493	60	.....	6,553
Repairs and maintenance	1,357	29	.....	1,386
Basic services	29,497	.....	.....	29,497
Interest and fiscal charges	3,023	.....	.....	3,023
Total operating expenses	258,865	2,129	24,545	285,539
Operating income (loss)	108,486	(5)	(22,111)	86,370
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Grants and donations	223	.....	28,765	28,988
Investment earnings (losses)	708	.....	290	998
Interest and fiscal charges	(258)	.....	(249)	(507)
Property disposition gain (loss)	(79)	.....	(76)	(155)
Grant expense and client benefits	(1,100)	.....	.....	(1,100)
Other	(100)	.....	.....	(100)
Total nonoperating revenues (expenses)	(606)	.....	28,730	28,124
Income (loss) before transfers and contributions	107,880	(5)	6,619	114,494
Operating transfers in	17,793	.....	.....	17,793
Operating transfers out	(97,506)	.....	.....	(97,506)
Capital contributions	1	.....	.....	1
Change in net position	28,168	(5)	6,619	34,782
Total net position - beginning, ar restated (Note 1)	250,796	250	82,501	333,547
Total net position - ending	\$ 278,964	\$ 245	\$ 89,120	\$ 368,329

**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
**(in thousands)**

	Other	FL Engineers Management Corporation	Space Florida	Totals 6/30/13
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 370,386	\$ 2,123	\$ 4,973	\$ 377,482
Cash paid to vendors	(99,491)	(846)	(18,795)	(119,132)
Cash paid to employees	(152,159)	(1,244)	(2,539)	(155,942)
Cash paid for grants made	.....	.....	.....	.....
Loans collected/(issued)	.....	.....	(1,605)	(1,605)
Lottery prizes	.....	.....	.....	.....
Cash paid for insurance claims	(60)	.....	.....	(60)
Reemployment assistance	(496)	.....	.....	(496)
Net cash provided (used) by operating activities	118,180	33	(17,966)	100,247
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in (out)	(78,167)	.....	.....	(78,167)
Advances from or repayment from other funds	.....	.....	.....	.....
Advances, grants or loans (to) from or repayment from others	(1,088)	.....	.....	(1,088)
Cash received from sale of bonds	.....	.....	.....	.....
Payment of bonds or loans (principal and interest)	.....	.....	.....	.....
Cash received from noncapital grants or donations	222	.....	24,066	24,288
Emergency assessment funds received	.....	.....	.....	.....
Net cash provided (used) by noncapital financing activities	(79,033)	.....	24,066	(54,967)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Cash received from sale of capital assets	14	.....	15	29
Cash received from the sale of bonds	.....	.....	.....	.....
Cash received from capital grants and donations	.....	.....	3,007	3,007
Payment of bond principal	.....	.....	.....	.....
Payment of principal on installment purchase/capital lease	.....	.....	.....	.....
Payment of interest on bonds/installment purchase/capital lease	.....	.....	.....	.....
Purchase or construction of capital assets	(1,371)	(68)	(7,765)	(9,204)
Line of credit draws/(payments)	.....	.....	655	655
Net cash provided (used) by capital and related financing activities	(1,357)	(68)	(4,088)	(5,513)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Security lending	(770)	.....	.....	(770)
Proceeds from the sale or maturity of investments	87,578	.....	.....	87,578
Cash paid to grand prize winners upon maturity of grand prize investments	.....	.....	.....	.....
Investment earnings	373	.....	41	414
Purchase of investments	(89,973)	.....	(100)	(90,073)
Net cash provided (used) by investing activities	(2,792)	.....	(59)	(2,851)
Net increase (decrease) in cash and cash equivalents	34,998	(35)	1,953	36,916
Cash and cash equivalents - beginning, as restated	272,193	154	5,096	277,443
Cash and cash equivalents - ending	\$ 307,191	\$ 119	\$ 7,049	\$ 314,359

**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

**Reconciliation of operating income (loss) to net cash  
provided (used) by operating activities**

	Other	FL Engineers Management Corporation	Space Florida	Totals 6/30/13
Operating income (loss)	\$ 108,486	\$ (5)	\$ (22,111)	\$ 86,370
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	1,903	65	3,832	5,800
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(879)	.....	(2,889)	(3,768)
(Increase) decrease in due from other funds	(3,606)	.....	.....	(3,606)
Increase (decrease) in allowance for uncollectibles	1,432	.....	596	2,028
(Increase) decrease in inventories	.....	.....	.....	.....
(Increase) decrease in other non-current assets	.....	24	.....	24
Increase (decrease) in accounts payable	(702)	4	(577)	(1,275)
Increase (decrease) in compensated absences	665	.....	2	667
Increase (decrease) in due to other funds	227	(55)	.....	172
Increase (decrease) in other non-current liability	4,260	.....	.....	4,260
(Increase) decrease in deposits	.....	.....	7	7
Increase (decrease) in deferred revenue	6,394	.....	3,174	9,568
Increase (decrease) in prize liability	.....	.....	.....	.....
Net cash provided (used) by operating activities	\$ 118,180	\$ 33	\$ (17,966)	\$ 100,247

**Noncash investing, capital, and financing activities**

Change in fair value of investments	\$ 316	\$ .....	\$ .....	\$ 316
Contribution of capital assets	82	.....	.....	82

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## **INTERNAL SERVICE FUNDS**

### **EMPLOYEE HEALTH AND DISABILITY**

These funds are administered by the Department of Management Services and are used primarily to account for health and disability plans for employees of the state.

### **DATA CENTERS**

These funds are used to account for services provided by the state's primary data centers and data processing centers operated by various agencies.

### **COMMUNICATIONS AND FACILITIES**

These funds are administered by the Department of Management Services primarily to account for services provided to other state agencies such as those related to the construction, operation, and maintenance of public facilities, and management and operation of the SUNCOM (state communication) Network.

### **OTHER**

These funds are administered by various agencies primarily to account for services provided to other state agencies such as legal services, records management, and community services (inmate work squads).

**2013 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2013**  
**(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/13
<b>ASSETS</b>					
<u>Current assets</u>					
Cash and cash equivalents	\$ 997	\$ .....	\$ 53,121	\$ .....	\$ 54,118
Pooled investments with State Treasury	371,681	4,383	66,985	10,111	453,160
Other investments	.....	.....	76,667	.....	76,667
Receivables, net	16,473	101	6,390	1,180	24,144
Due from other funds	64	20,813	9,825	3,944	34,646
Due from component units/primary	.....	2	1,177	.....	1,179
Total current assets	389,215	25,299	214,165	15,235	643,914
<u>Noncurrent assets</u>					
Capital assets					
Land and other nondepreciable assets	.....	.....	321	1	322
Buildings, equipment, and other depreciable assets	42	56,290	1,332,407	8,591	1,397,330
Accumulated depreciation	(37)	(45,482)	(366,071)	(6,297)	(417,887)
Construction work in progress	.....	.....	179,661	.....	179,661
Total noncurrent assets	5	10,808	1,146,318	2,295	1,159,426
Total assets	389,220	36,107	1,360,483	17,530	1,803,340
<b>LIABILITIES</b>					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	120,342	13,691	15,979	1,327	151,339
Due to other funds	31,789	354	631	1,048	33,822
Due to component units/primary	.....	11	.....	.....	11
Compensated absences	21	1,423	563	1,645	3,652
Installment purchases/capital leases	.....	1,278	1,140	.....	2,418
Bonds payable	.....	.....	22,480	.....	22,480
Deposits	131,313	150	930	339	132,732
Obligations under security lending agreements	25,271	237	4,977	75	30,560
Certificates of participation payable	.....	.....	37,105	.....	37,105
Total current liabilities	308,736	17,144	83,805	4,434	414,119
<u>Noncurrent liabilities</u>					
Advances from other funds	.....	1,478	500	800	2,778
Bonds payable	.....	.....	313,678	.....	313,678
Certificates of participation payable	.....	.....	576,394	.....	576,394
Installment purchases/capital leases	.....	3,646	11,959	.....	15,605
Compensated absences	146	4,352	1,893	6,929	13,320
Other noncurrent liabilities	18,350	2,864	2,797	6,670	30,681
Total noncurrent liabilities	18,496	12,340	907,221	14,399	952,456
Total liabilities	327,232	29,484	991,026	18,833	1,366,575
<b>NET POSITION</b>					
Net investment in capital assets	5	5,884	185,369	2,295	193,553
Restricted - other	.....	.....	114,268	.....	114,268
Unrestricted	61,983	739	69,820	(3,598)	128,944
Total net position	\$ 61,988	\$ 6,623	\$ 369,457	\$ (1,303)	\$ 436,765

**2013 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/13
<b>OPERATING REVENUES</b>					
Sales - nonstate	\$ .....	\$ 160	\$ 39,319	\$ 7,262	\$ 46,741
Sales - state	1,742,209	112,329	80,603	55,662	1,990,803
Rents and royalties - nonstate	.....	.....	279	.....	279
Rents - state	.....	.....	161,901	.....	161,901
Fines, forfeits, settlements and judgments	.....	.....	.....	25	25
Other	15,878	.....	.....	.....	15,878
Total operating revenues	1,758,087	112,489	282,102	62,949	2,215,627
<b>OPERATING EXPENSES</b>					
Contractual services	307,938	47,820	131,421	6,056	493,235
Insurance claims expense	1,483,294	.....	.....	.....	1,483,294
Personal services	4,693	40,525	18,810	48,849	112,877
Depreciation	4	3,972	20,627	1,057	25,660
Materials and supplies	33	12,701	2,182	2,499	17,415
Repairs and maintenance	.....	1,151	7,996	286	9,433
Basic services	121	6,085	5,166	3,240	14,612
Total operating expenses	1,796,083	112,254	186,202	61,987	2,156,526
Operating income (loss)	(37,996)	235	95,900	962	59,101
<b>NONOPERATING REVENUES/(EXPENSES)</b>					
Investment earnings (losses)	(767)	40	(319)	11	(1,035)
Interest and fiscal charges	(348)	(25)	(76,784)	(3)	(77,160)
Property disposition gain (loss)	.....	(675)	(118)	(807)	(1,600)
Total nonoperating revenues (expenses)	(1,115)	(660)	(77,221)	(799)	(79,795)
Income (loss) before transfers and contributions	(39,111)	(425)	18,679	163	(20,694)
Operating transfers in	22,650	.....	2,726	.....	25,376
Operating transfers out	(400)	(246)	(12,178)	(1,741)	(14,565)
Capital contributions	.....	2,834	14	20	2,868
Change in net position	(16,861)	2,163	9,241	(1,558)	(7,015)
Total net position - beginning, as restated (Note 1)	78,849	4,460	360,216	255	443,780
Total net position - ending	\$ 61,988	\$ 6,623	\$ 369,457	\$ (1,303)	\$ 436,765

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
**(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,802,763	\$ 103,582	\$ 282,297
Cash paid to vendors	(298,775)	(62,863)	(152,346)
Cash paid to employees	(1,219)	(37,425)	(18,162)
Cash paid for grants made	.....	.....	.....
Loans collected/(issued)	.....	.....	.....
Lottery prizes	.....	.....	.....
Cash paid for insurance claims	(1,498,144)	.....	.....
Reemployment assistance	.....	.....	.....
Net cash provided (used) by operating activities	4,625	3,294	111,789
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in (out)	22,252	(255)	(12,356)
Advances from or repayment from other funds	.....	.....	.....
Advances, grants or loans (to) from or repayment from others	.....	.....	.....
Cash received from sale of bonds	.....	.....	.....
Payment of bonds or loans (principal and interest)	.....	.....	.....
Cash received from noncapital grants or donations	.....	.....	.....
Emergency assessment funds received	.....	.....	.....
Net cash provided (used) by noncapital financing activities	22,252	(255)	(12,356)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash received from sale of capital assets	.....	.....	.....
Cash received from the sale of bonds	.....	.....	.....
Cash received from capital grants and donations	.....	.....	.....
Payment of bond principal	.....	.....	(35,355)
Payment of principal on installment purchase/capital lease	.....	(914)	(22,127)
Payment of interest on bonds/installment purchase/capital lease	.....	(54)	(46,629)
Purchase or construction of capital assets	.....	(1,060)	(34,015)
Line of credit draws/(payments)	.....	.....	.....
Net cash provided (used) by capital and related financing activities	.....	(2,028)	(138,126)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Security lending	(8,614)	8	(7,476)
Proceeds from the sale or maturity of investments	.....	.....	.....
Cash paid to grand prize winners upon maturity of grand prize investments	.....	.....	.....
Investment earnings	(1,116)	36	(15,177)
Purchase of investments	.....	.....	.....
Net cash provided (used) by investing activities	(9,730)	44	(22,653)
Net increase (decrease) in cash and cash equivalents	17,147	1,055	(61,346)
Cash and cash equivalents - beginning, as restated	355,531	3,328	181,452
Cash and cash equivalents - ending	\$ 372,678	\$ 4,383	\$ 120,106

Other	Totals 6/30/13
\$ 62,265	\$ 2,250,907
(12,522)	(526,506)
(46,332)	(103,138)
.....	.....
.....	.....
.....	.....
.....	(1,498,144)
.....	.....
3,411	123,119
(1,692)	7,949
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
(1,692)	7,949
.....	.....
.....	.....
.....	.....
.....	(35,355)
.....	(23,041)
.....	(46,683)
(224)	(35,299)
.....	.....
(224)	(140,378)
(94)	(16,176)
.....	.....
.....	.....
8	(16,249)
(15)	(15)
(101)	(32,440)
1,394	(41,750)
8,717	549,028
\$ 10,111	\$ 507,278

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

**Reconciliation of operating income (loss) to net cash  
provided (used) by operating activities**

	Employee Health and Disability	Data Centers	Communications and Facilities
Operating income (loss)	\$ (37,996)	\$ 235	\$ 95,900
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	4	3,972	20,627
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	2,965	2,323	(1,127)
(Increase) decrease in due from other funds	(50)	(11,421)	2,815
Increase (decrease) in allowance for uncollectibles	.....	.....	.....
(Increase) decrease in inventories	.....	.....	.....
(Increase) decrease in other non-current assets	.....	.....	.....
Increase (decrease) in accounts payable	(15,772)	5,473	(2,711)
Increase (decrease) in compensated absences	41	1,607	(75)
Increase (decrease) in due to other funds	10,220	106	(2,528)
Increase (decrease) in other non-current liability	3,452	849	690
(Increase) decrease in deposits	.....	.....	.....
Increase (decrease) in deferred revenue	41,761	150	(1,802)
Increase (decrease) in prize liability	.....	.....	.....
Net cash provided (used) by operating activities	\$ 4,625	\$ 3,294	\$ 111,789

**Noncash investing, capital, and financing activities**

Contribution of capital assets	\$ .....	\$ 2,834	\$ .....
--------------------------------	----------	----------	----------

Other	Totals 6/30/13
\$ 962	\$ 59,101
1,057	25,660
(190)	3,971
(245)	(8,901)
.....	.....
.....	.....
.....	.....
(316)	(13,326)
603	2,176
(267)	7,531
1,706	6,697
.....	.....
101	40,210
.....	.....
<u>\$ 3,411</u>	<u>\$ 123,119</u>

\$ ..... \$ 2,834

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## **PRIVATE-PURPOSE TRUST FUNDS**

### **TRUST ESCROW ADMINISTRATION**

These funds administered by the Department of Financial Services are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

### **UNCLAIMED PROPERTY**

This fund includes the internal reporting funds administered by the Department of Financial Services that are used to account for unclaimed property pursuant to Section 717.123, Florida Statutes.

### **STUDENT LOAN GUARANTY RESERVE**

This fund administered by the Department of Education is used to account for federally guaranteed loans to Florida citizens to pay for higher education.

### **COLLEGE SAVINGS PLAN**

This fund, administered by the State Board of Administration, is used to account for contributions from participants of the College Savings Plan as authorized by Section 1009.981, Florida Statutes. Participant contributions are collected and invested in accordance with the Plan provisions and participant direction.

### **OTHER**

This category includes other internal reporting funds administered by various agencies that are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

**COMBINING STATEMENT OF FIDUCIARY NET POSITION****PRIVATE-PURPOSE TRUST FUNDS****JUNE 30, 2013****(in thousands)**

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,219	\$ 751	\$ .....	\$ 1
Pooled investments with State Treasury	530,275	16,916	15,882	1,139
Total cash and cash equivalents	532,494	17,667	15,882	1,140
<u>Investments</u>				
U.S. government & federally guaranteed obligations	78	.....	.....	.....
Federal agencies	.....	.....	.....	.....
Bonds and notes	.....	.....	.....	.....
International bonds and notes	.....	.....	.....	.....
Mutual fund investments	3,004	75	.....	.....
Money market and short-term investments	1,470	.....	.....	.....
Domestic equity	.....	6,034	.....	.....
International equity	.....	.....	.....	.....
Total investments	4,552	6,109	.....	.....
<u>Receivables</u>				
Accounts receivable	21,560	619	74	.....
Interest receivable	383	2	8	.....
Dividends receivable	.....	.....	.....	.....
Nonstate contributions receivable	.....	.....	1	.....
Foreign currency contracts receivable	.....	.....	.....	.....
Pending investment sales	.....	.....	.....	.....
Due from state funds	.....	.....	.....	.....
Due from other governments	.....	.....	12,378	.....
Total receivables	21,943	621	12,461	.....
Advances to other funds	.....	811,623	.....	.....
Advances to other entities	1,114,288	.....	.....	.....
Capital assets	13,589	1,380	25	.....
Accumulated depreciation	.....	(990)	(25)	.....
Other assets	6,663	.....	.....	.....
Total assets	1,693,529	836,410	28,343	1,140
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	1,798	6,132	.....	.....
Due to other funds	776	5	1,060	.....
Pending investment purchases	.....	.....	.....	.....
Foreign currency contracts payable	.....	.....	.....	.....
Due to other governments	.....	.....	3,798	.....
Obligations under security lending agreements	41,653	219	1,235	29
Claims payable	.....	.....	2,928	.....
Deposits payable	84	.....	.....	.....
Compensated absences	.....	375	.....	.....
Other liabilities	.....	414	.....	.....
Total liabilities	44,311	7,145	9,021	29
<b>NET POSITION</b>				
Held in trust for individuals, organizations, and other governments	\$ 1,649,218	\$ 829,265	\$ 19,322	\$ 1,111

College Savings Plan	Totals 6/30/13
\$ 9,130	\$ 12,101
.....	564,212
9,130	576,313
28,660	28,738
37,527	37,527
49,589	49,589
6,175	6,175
.....	3,079
49,502	50,972
127,924	133,958
34,113	34,113
333,490	344,151
.....	22,253
648	1,041
217	217
.....	1
18	18
2,470	2,470
1	1
.....	12,378
3,354	38,379
.....	811,623
.....	1,114,288
6	15,000
(6)	(1,021)
.....	6,663
345,974	2,905,396
683	8,613
7,834	9,675
18,814	18,814
18	18
.....	3,798
.....	43,136
.....	2,928
8,094	8,178
8	383
.....	414
35,451	95,957
\$ 310,523	\$ 2,809,439

## 2013 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**
**PRIVATE-PURPOSE TRUST FUNDS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**
**(in thousands)**

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
<b>ADDITIONS</b>				
<u>Contributions and other deposits</u>				
Fees	\$ .....	\$ .....	\$ .....	\$ .....
Grants and contributions	.....	.....	179,747	.....
Fines, forfeits, settlements and judgments	.....	855	.....	.....
Unclaimed property remittances	.....	470,348	.....	.....
Receivership assets acquired	104,456	.....	.....	.....
Transfers in from state funds	.....	.....	.....	.....
Total contributions and other deposits	104,456	471,203	179,747	.....
<u>Investment income</u>				
Interest income	1,247	(2)	(92)	(1)
Dividends	.....	.....	.....	.....
Other investment income	1,492	.....	.....	.....
Net increase (decrease) in fair market value	.....	.....	.....	.....
Total investment income	2,739	(2)	(92)	(1)
Investment activity expense	(925)	(1)	.....	.....
Net income (loss) from investing activity	1,814	(3)	(92)	(1)
<u>Security lending activity</u>				
Security lending income	.....	.....	.....	.....
Security lending expense	.....	.....	.....	.....
Net income from security lending	.....	.....	.....	.....
Total net investment income (loss)	1,814	(3)	(92)	(1)
Other additions	.....	3,842	6,065	.....
Total additions	106,270	475,042	185,720	(1)
<b>DEDUCTIONS</b>				
Insurance claims expense	159,535	.....	.....	.....
Interest expense	625	3	15	.....
Student loan default payments	.....	.....	188,899	.....
Payments to unclaimed property claimants	.....	253,129	.....	.....
Distribution to State School Fund	.....	150,499	.....	.....
Administrative expense	20,053	3,362	.....	.....
Transfers out to state funds	.....	2,985	56	.....
Other deductions	1,513	814	.....	884
Total deductions	181,726	410,792	188,970	884
<u>Depositor activity</u>				
Deposits	96,004	.....	.....	99
Withdrawals	(132,254)	.....	.....	.....
Excess (deficiency) of deposits over withdrawals	(36,250)	.....	.....	99
Change in net position	(111,706)	64,250	(3,250)	(786)
Net position - beginning	1,760,924	765,015	22,572	1,897
Net position - ending	\$ 1,649,218	\$ 829,265	\$ 19,322	\$ 1,111

College Savings Plan	Totals 6/30/13
\$ 2,306	\$ 2,306
34,799	214,546
8	863
.....	470,348
.....	104,456
938	938
38,051	793,457
4,218	5,370
3,349	3,349
.....	1,492
18,096	18,096
25,663	28,307
(414)	(1,340)
25,249	26,967
35	35
(5)	(5)
30	30
25,279	26,997
8	9,915
63,338	830,369
.....	159,535
.....	643
.....	188,899
.....	253,129
.....	150,499
5,043	28,458
.....	3,041
16,188	19,399
21,231	803,603
.....	96,103
.....	(132,254)
.....	(36,151)
42,107	(9,385)
268,416	2,818,824
\$ 310,523	\$ 2,809,439

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## **PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**

### **DEFINED BENEFIT PENSION PLAN**

This category includes those internal reporting funds primarily administered by the Department of Management Services, Division of Retirement, to account for operations of the Florida Retirement System's defined benefit pension plan.

### **OTHER DEFINED CONTRIBUTION PLANS**

This category includes those internal reporting funds administered by the Department of Management Services, Division of Retirement, to account for operations of the state's other defined contribution plans.

### **DEFERRED COMPENSATION PLAN**

This category includes those internal reporting funds administered by the Department of Financial Services to account for operations of government employee's deferred compensation plan.

### **LIFE AND OTHER BENEFITS**

This category includes those internal reporting funds primarily administered by the Department of Management Services to account for state employee's life and other plans.

### **RETIREE HEALTH INSURANCE SUBSIDY**

This category includes internal reporting funds administered by the Department of Management Services, Division of Retirement, to hold and invest the contributions paid by employers on behalf of their employees who are members of a state-administered retirement plan, and to pay benefits to which such employees or their beneficiaries may become entitled.

### **DEFINED CONTRIBUTION PENSION PLAN**

This category includes those internal reporting funds administered by the Department of Management Services, Division of Retirement, and State Board of Administration to account for operations of the Florida Retirement System's defined contribution pension plan.

## 2013 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**
**JUNE 30, 2013**
**(in thousands)**

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
<b>ASSETS</b>				
Cash and cash equivalents	\$ 227,020	\$ .....	\$ 50,087	\$ .....
Pooled investments with State Treasury	37,127	4,643	1,676	15,982
Total cash and cash equivalents	264,147	4,643	51,763	15,982
<u>Investments</u>				
Certificates of deposit	2,051,388	.....	.....	.....
U.S. government & federally guaranteed obligations	9,937,361	.....	.....	.....
Federal agencies	7,792,894	.....	.....	.....
Commercial paper	4,755,488	.....	.....	.....
Repurchase agreements	750,000	.....	.....	.....
Bonds and notes	7,692,660	.....	1,359,984	.....
International bonds and notes	2,451,499	.....	.....	.....
Real estate contracts	9,040,776	.....	.....	.....
Mutual fund investments	6,291,530	.....	1,537,368	.....
Money market and short-term investments	302,990	.....	10,188	.....
Domestic equity	38,428,785	.....	22,197	.....
Alternative Investments	13,555,756	.....	.....	.....
International equity	33,946,698	.....	2,115	.....
Deferred compensation annuities	.....	.....	33,001	.....
Other investments	1,034	.....	.....	.....
Total investments	136,998,859	.....	2,964,853	.....
<u>Receivables</u>				
Accounts receivable	8,364	.....	96	.....
State contributions receivable	28,859	1	.....	.....
Nonstate contributions receivable	156,770	11	.....	.....
Interest receivable	190,637	3	1	17
Dividends receivable	171,868	.....	.....	.....
Pending investment sales	2,407,948	.....	.....	.....
Foreign currency contracts receivable	532,042	.....	.....	.....
Due from state funds	15,697	.....	.....	850
Total receivables	3,512,185	15	97	867
Security lending collateral	3,245,417	.....	.....	.....
Capital assets	854	.....	.....	.....
Accumulated depreciation	(430)	.....	.....	.....
Other assets	6,135	.....	.....	.....
Total assets	144,027,167	4,658	3,016,713	16,849
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	67,451	150	.....	9
Due to other funds	5,057	1	.....	3
DROP	3,209,149	.....	.....	.....
Pending investment purchases	6,679,056	.....	.....	.....
Short sell obligations	367,076	.....	.....	.....
Foreign currency contracts payable	526,766	.....	.....	.....
Broker rebate fees	47	.....	.....	.....
Obligations under security lending agreements	3,317,912	364	131	3,814
Claims payable	.....	.....	.....	15
Deposits payable	.....	.....	.....	12,208
Compensated absences	824	32	.....	59
Other liabilities	1,301	13	.....	8,541
Total liabilities	14,174,639	560	131	24,649
<b>NET POSITION</b>				
Held in trust for pension benefits and other purposes	\$ 129,852,528	\$ 4,098	\$ 3,016,582	\$ (7,800)

2013 STATE OF FLORIDA CAFR

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	Totals 6/30/13
\$ .....	\$ 1,332	\$ 278,439
119	17,858	77,405
119	19,190	355,844
.....	.....	2,051,388
.....	.....	9,937,361
.....	.....	7,792,894
.....	.....	4,755,488
.....	.....	750,000
1,142	.....	9,053,786
.....	.....	2,451,499
.....	.....	9,040,776
34	6,721,784	14,550,716
120,231	1,161,954	1,595,363
.....	.....	38,450,982
.....	.....	13,555,756
.....	.....	33,948,813
.....	.....	33,001
.....	.....	1,034
121,407	7,883,738	147,968,857
.....	492	8,952
4,602	6,565	40,027
29,724	25,202	211,707
.....	.....	190,658
.....	731	172,599
.....	.....	2,407,948
.....	.....	532,042
2,086	12	18,645
36,412	33,002	3,582,578
.....	.....	3,245,417
.....	.....	854
.....	.....	(430)
.....	.....	6,135
157,938	7,935,930	155,159,255
10	2,397	70,017
.....	18,573	23,634
.....	.....	3,209,149
.....	.....	6,679,056
.....	.....	367,076
.....	.....	526,766
.....	.....	47
.....	.....	3,322,221
.....	.....	15
.....	.....	12,208
.....	.....	915
.....	.....	9,855
10	20,970	14,220,959
\$ 157,928	\$ 7,914,960	\$ 140,938,296

## 2013 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
<b>ADDITIONS</b>				
<u>Contributions and other deposits</u>				
Pension fund employer contributions - state	\$ 273,078	\$ 84,038	\$ .....	\$ .....
Pension fund employer contributions - nonstate	1,072,620	110	.....	.....
Pension fund employee contributions	673,214	81,867	.....	.....
Other contributions	113	.....	.....	142,616
Purchase of time by employees	9,086	.....	.....	.....
Fees	.....	.....	1,209	.....
Flexible benefits contributions	.....	.....	239,872	.....
Fines, forfeits, settlements and judgments	29,056	.....	.....	.....
Transfers in from state funds	51,102	.....	.....	.....
Total contributions and other deposits	2,108,269	166,015	241,081	142,616
<u>Investment income</u>				
Interest income	1,515,205	6	.....	101
Dividends	1,992,763	.....	.....	.....
Other investment income	133,067	.....	.....	.....
Net increase (decrease) in fair market value	13,052,082	.....	279,909	.....
Total investment income (loss)	16,693,117	6	279,909	101
Investment activity expense	(407,926)	(231)	.....	(32)
Net income (loss) from investing activity	16,285,191	(225)	279,909	69
<u>Security lending activity</u>				
Security lending income	56,229	.....	.....	.....
Security lending expense	(7,791)	.....	.....	.....
Net income from security lending	48,438	.....	.....	.....
Total net investment income (loss)	16,333,629	(225)	279,909	69
Other additions	.....	.....	1	.....
Total additions	18,441,898	165,790	520,991	142,685
<b>DEDUCTIONS</b>				
Benefit payments	7,756,178	.....	233,649	.....
Supplemental insurance payments	.....	.....	.....	69,811
Flexible reimbursement payments	.....	.....	.....	23,039
Life insurance premium payments	.....	.....	.....	30,644
Remittances to annuity companies	5	158,904	.....	.....
Interest expense	.....	.....	2	.....
Administrative expense	44,785	145	25	2,066
Property disposition gain (loss)	1	.....	.....	.....
Transfers out to state funds	795,328	7,332	1,308	22,788
Other deductions	10,194	8	.....	.....
Total deductions	8,606,491	166,389	234,984	148,348
Change in net position	9,835,407	(599)	286,007	(5,663)
Net position - beginning	120,017,121	4,697	2,730,575	(2,137)
Net position - ending	\$ 129,852,528	\$ 4,098	\$ 3,016,582	\$ (7,800)

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	Totals 6/30/13
\$ 64,288	\$ 53,146	\$ 474,550
263,286	207,062	1,543,078
.....	135,210	890,291
.....	.....	142,729
.....	485	9,571
.....	.....	1,209
.....	.....	239,872
.....	.....	29,056
.....	794,361	845,463
327,574	1,190,264	4,175,819
450	6	1,515,768
.....	61,052	2,053,815
.....	83	133,150
585	661,150	13,993,726
1,035	722,291	17,696,459
(1)	(2,944)	(411,134)
1,034	719,347	17,285,325
.....	.....	56,229
.....	.....	(7,791)
.....	.....	48,438
1,034	719,347	17,333,763
.....	.....	1
328,608	1,909,611	21,509,583
390,973	1,128,436	9,509,236
.....	.....	69,811
.....	.....	23,039
.....	.....	30,644
.....	.....	158,909
.....	.....	2
53	12,669	59,743
.....	.....	1
.....	51,696	878,452
.....	.....	10,202
391,026	1,192,801	10,740,039
(62,418)	716,810	10,769,544
220,346	7,198,150	130,168,752
\$ 157,928	\$ 7,914,960	\$ 140,938,296

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## **INVESTMENT TRUST FUNDS**

### **EXTERNAL TREASURY POOL**

This fund, administered by the State Treasury, is used to account for the external portion of the State Treasurer's Investment Pool.

### **INVESTMENT POOL A**

This fund, administered by the State Board of Administration, is used to account for the external portion of the Local Government Surplus Funds Trust Fund (an investment pool) reported by the state.

### **INVESTMENT POOL B**

As authorized in Section 218.417, Florida Statutes, this fund, administered by the State Board of Administration, is used to account for the external portion of the Fund B Surplus Funds Trust Fund (an investment pool) reported by the state.

### **OTHER INVESTMENT TRUST FUNDS**

This fund, administered by the State Board of Administration, is used to account for the external portion of the Commingled Asset Management Program Fixed Income Investment Pool.

## 2013 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**
**INVESTMENT TRUST FUNDS**
**JUNE 30, 2013**
**(in thousands)**

	External Treasury Pool	Investment Pool A	Investment Pool B	Other Investment Trust Funds	Totals 6/30/13
<b>ASSETS</b>					
Pooled investments with State Treasury	\$ 1,531,754	\$ .....	\$ .....	\$ .....	\$ 1,531,754
Total cash and cash equivalents	1,531,754	.....	.....	.....	1,531,754
<u>Investments</u>					
Certificates of deposit	.....	2,462,184	.....	.....	2,462,184
Commercial paper	.....	1,252,661	.....	.....	1,252,661
Repurchase agreements	.....	639,694	.....	.....	639,694
Bonds and notes	.....	618,682	107,260	17	725,959
Money market and short-term investments	.....	845,603	4,989	1	850,593
Total investments	.....	5,818,824	112,249	18	5,931,091
<u>Receivables</u>					
Interest receivable	778	1,762	11	.....	2,551
Total receivables	778	1,762	11	.....	2,551
Other assets	.....	18	.....	.....	18
Total assets	1,532,532	5,820,604	112,260	18	7,465,414
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	.....	612	.....	.....	612
Due to other funds	.....	50	1	.....	51
Due to other governments	.....	254	.....	.....	254
Obligations under security lending agreements	121,254	.....	.....	.....	121,254
Total liabilities	121,254	916	1	.....	122,171
<b>NET POSITION</b>					
Held in trust for pool participants	\$ 1,411,278	\$ 5,819,688	\$ 112,259	\$ 18	\$ 7,343,243

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**INVESTMENT TRUST FUNDS**  
**JUNE 30, 2013**  
**(in thousands)**

	External Treasury Pool	Investment Pool A	Investment Pool B	Other Investment Trust Funds	Totals 6/30/13
<b>ADDITIONS</b>					
<u>Contributions and other deposits</u>					
Transfers in from state funds	\$ .....	\$ 110,614	\$ .....	\$ .....	\$ 110,614
Total contributions and other deposits	.....	110,614	.....	.....	110,614
<u>Investment income</u>					
Interest income	2,507	16,741	1,881	.....	21,129
Net increase (decrease) in fair market value	.....	134	44,880	9	45,023
Total investment income (loss)	2,507	16,875	46,761	9	66,152
Investment activity expense	(2,071)	(1,744)	(18)	.....	(3,833)
Net income (loss) from investing activity	436	15,131	46,743	9	62,319
Total net investment income (loss)	436	15,131	46,743	9	62,319
Total additions	436	125,745	46,743	9	172,933
<b>DEDUCTIONS</b>					
Administrative expense	.....	55	.....	.....	55
Transfers out to state funds	.....	.....	110,614	.....	110,614
Total deductions	.....	55	110,614	.....	110,669
<u>Depositor activity</u>					
Deposits	941,270	12,722,702	.....	.....	13,663,972
Withdrawals	(1,079,256)	(12,606,715)	.....	(26)	(13,685,997)
Excess (deficiency) of deposits over withdrawals	(137,986)	115,987	.....	(26)	(22,025)
Change in net position	(137,550)	241,677	(63,871)	(17)	40,239
Net position - beginning	1,548,828	5,578,011	176,130	35	7,303,004
Net position - ending	\$ 1,411,278	\$ 5,819,688	\$ 112,259	\$ 18	\$ 7,343,243

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## **AGENCY FUNDS**

### **TAX DISTRIBUTION AND ADMINISTRATION**

These agency funds administered by the Department of Revenue are primarily used to account for taxes collected by the Department that are held for other municipalities, local governments, or outside entities.

### **OTHER**

These agency funds administered by various agencies are used to account for resources held in trust for entities outside of the State government and for the asset and liability balance related to retiree health care.

### **SCHOOL FOR THE DEAF AND THE BLIND**

These agency funds administered by the School for the Deaf and the Blind are used to account for resources held for students.

### **STATE BOARD OF ADMINISTRATION**

These agency funds administered by the State Board of Administration are primarily used to account for escrowed bond funds.

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## 2013 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**
**AGENCY FUNDS**
**JUNE 30, 2013**
**(in thousands)**

	Tax Distribution and Administration	Other	School for the Deaf and the Blind	State Board of Administration	Totals 6/30/13
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,959	\$ 8,439	\$ 44	\$ 5,926	\$ 16,368
Pooled investments with State Treasury	586,513	180,712	.....	276,219	1,043,444
Total cash and cash equivalents	588,472	189,151	44	282,145	1,059,812
<u>Investments</u>					
U.S. government & federally guaranteed obligations	.....	.....	.....	347,719	347,719
Federal agencies	.....	.....	.....	5,599	5,599
Other investments	.....	100	.....	.....	100
Total investments	.....	100	.....	353,318	353,418
<u>Receivables</u>					
Accounts receivable	444,038	81,037	.....	.....	525,075
Interest receivable	.....	108	.....	1,765	1,873
Due from state funds	69,253	30,974	.....	.....	100,227
Due from other governments	4,565	.....	.....	.....	4,565
Total receivables	517,856	112,119	.....	1,765	631,740
Total assets	\$ 1,106,328	\$ 301,370	\$ 44	\$ 637,228	\$ 2,044,970
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 561,443	\$ 27,399	\$ 44	\$ .....	\$ 588,886
Due to other funds	103,785	760	.....	46	104,591
Due to other governments	441,100	13,154	.....	.....	454,254
Obligations under security lending agreements	.....	13,691	.....	21,755	35,446
Claims payable	.....	21,616	.....	.....	21,616
Deposits payable	.....	224,750	.....	615,427	840,177
Total liabilities	\$ 1,106,328	\$ 301,370	\$ 44	\$ 637,228	\$ 2,044,970

**2013 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**AGENCY FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**(in thousands)**

<u>Tax Distribution and Administration</u>	Balance 6/30/12	Additions	Deductions	Balance 6/30/13
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,177	\$ .....	\$ 2,218	\$ 1,959
Pooled investments with State Treasury	692,268	2,178,471	2,284,226	586,513
Accounts receivable	512,091	444,039	512,092	444,038
Due from state funds	52,321	1,623,061	1,606,129	69,253
Due from other governments	.....	28,933	24,368	4,565
Total assets	<u>\$ 1,260,857</u>	<u>\$ 4,274,504</u>	<u>\$ 4,429,033</u>	<u>\$ 1,106,328</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 676,396	\$ 352,723	\$ 467,676	\$ 561,443
Due to other funds	129,771	1,204,580	1,230,566	103,785
Due to other governments	454,690	2,857,777	2,871,367	441,100
Total liabilities	<u>\$ 1,260,857</u>	<u>\$ 4,415,080</u>	<u>\$ 4,569,609</u>	<u>\$ 1,106,328</u>
<u>Other</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,629	\$ 190,055	\$ 192,245	\$ 8,439
Pooled investments with State Treasury	198,357	1,305,238	1,322,883	180,712
Other investments	.....	100	.....	100
Accounts receivable	29,789	66,086	14,838	81,037
Interest receivable	848	667	1,407	108
Due from state funds	21,928	30,974	21,928	30,974
Total assets	<u>\$ 261,551</u>	<u>\$ 1,593,120</u>	<u>\$ 1,553,301</u>	<u>\$ 301,370</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 39,887	\$ 297,305	\$ 309,793	\$ 27,399
Due to other funds	326	661	227	760
Due to other governments	2,095	11,167	108	13,154
Obligations under security lending agreements	16,580	565	3,454	13,691
Claims payable	19,192	21,616	19,192	21,616
Deposits payable	183,471	66,291	25,012	224,750
Total liabilities	<u>\$ 261,551</u>	<u>\$ 397,605</u>	<u>\$ 357,786</u>	<u>\$ 301,370</u>
<u>School for the Deaf and the Blind</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 51	\$ 79	\$ 86	\$ 44
Total assets	<u>\$ 51</u>	<u>\$ 79</u>	<u>\$ 86</u>	<u>\$ 44</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 51	\$ 47	\$ 54	\$ 44
Total liabilities	<u>\$ 51</u>	<u>\$ 47</u>	<u>\$ 54</u>	<u>\$ 44</u>

**2013 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**AGENCY FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**(in thousands)**

<u>State Board of Administration</u>	Balance 6/30/12	Additions	Deductions	Balance 6/30/13
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,225	\$ 5,609,316	\$ 5,608,615	\$ 5,926
Pooled investments with State Treasury	684,214	2,125,906	2,533,901	276,219
Investments	109,091	374,737	130,510	353,318
Interest receivable	2,875	2,301	3,411	1,765
Pending investment sales	13,206	.....	13,206	.....
Total assets	<u>\$ 814,611</u>	<u>\$ 8,112,260</u>	<u>\$ 8,289,643</u>	<u>\$ 637,228</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 10,440	\$ .....	\$ 10,440	\$ .....
Due to other funds	49,891	121,558	171,403	46
Due to other governments	5,304	370,558	375,862	.....
Obligations under security lending agreements	65,637	.....	43,882	21,755
Deposits payable	683,339	2,183,822	2,251,734	615,427
Total liabilities	<u>\$ 814,611</u>	<u>\$ 2,675,938</u>	<u>\$ 2,853,321</u>	<u>\$ 637,228</u>
<u>Totals - All Agency Funds</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 20,082	\$ 5,799,450	\$ 5,803,164	\$ 16,368
Pooled investments with State Treasury	1,574,839	5,609,615	6,141,010	1,043,444
Investments	109,091	374,837	130,510	353,418
Accounts receivable	541,880	510,125	526,930	525,075
Interest receivable	3,723	2,968	4,818	1,873
Pending investment sales	13,206	.....	13,206	.....
Due from state funds	74,249	1,654,035	1,628,057	100,227
Due from other governments	.....	28,933	24,368	4,565
Total assets	<u>\$ 2,337,070</u>	<u>\$ 13,979,963</u>	<u>\$ 14,272,063</u>	<u>\$ 2,044,970</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 726,774	\$ 650,075	\$ 787,963	\$ 588,886
Due to other funds	179,988	1,326,799	1,402,196	104,591
Due to other governments	462,089	3,239,502	3,247,337	454,254
Obligations under security lending agreements	82,217	565	47,336	35,446
Claims payable	19,192	21,616	19,192	21,616
Deposits payable	866,810	2,250,113	2,276,746	840,177
Total liabilities	<u>\$ 2,337,070</u>	<u>\$ 7,488,670</u>	<u>\$ 7,780,770</u>	<u>\$ 2,044,970</u>

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## **NONMAJOR COMPONENT UNITS**

### **WATER MANAGEMENT DISTRICTS**

These districts were created in accordance with Section 373.069, Florida Statutes, to provide for the management and conservation of water and related land resources. Refer to Note 1 for additional information.

### **OTHER STATE UNIVERSITIES**

This category includes 11 state universities. Refer to Note 1 for additional information.

### **FLORIDA COLLEGES**

This category includes 28 Florida College System Institutions. Refer to Note 1 for additional information.

### **OTHER NONMAJOR COMPONENT UNITS**

Other nonmajor component units include various foundations and not-for-profit organizations. Refer to Note 1 for additional information.

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**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR COMPONENT UNITS**  
**JUNE 30, 2013**  
**(in thousands)**

	Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/13
<b>ASSETS</b>					
<u>Current assets</u>					
Cash and cash equivalents	\$ 207,582	\$ 336,810	\$ 152,106	\$ 122,742	\$ 819,240
Pooled investments with State Treasury	43,067	1,161,260	178,860	40,573	1,423,760
Other investments	818,955	1,663,706	775,408	1,136,277	4,394,346
Receivables, net	15,272	465,397	327,529	148,618	956,816
Due from component units/primary	13,496	267,022	11,394	6,433	298,345
Inventories	6,647	8,629	14,804	10,201	40,281
Restricted cash and cash equivalents	.....	112,834	179,090	73,681	365,605
Restricted pooled investments with State Treasury	.....	266,406	363,457	.....	629,863
Restricted investments	427,552	1,459,344	991,046	.....	2,877,942
Other loans and notes receivable, net	.....	49,927	.....	1,103	51,030
Other assets	6,494	224,892	95,980	3,765	331,131
Capital assets, net	7,066,275	8,064,326	3,909,741	581,687	19,622,029
Total assets	8,605,340	14,080,553	6,999,415	2,125,080	31,810,388
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Accum. decrease in fair value -Hedging derivatives	.....	13,739	.....	.....	13,739
Total deferred outflows of resources	.....	13,739	.....	.....	13,739
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	120,550	330,982	300,617	96,623	848,772
Due to component units/primary	99	105,056	8,186	.....	113,341
Deferred revenues	.....	260,302	38,544	21,058	319,904
Long-term liabilities					
Due within one year	105,889	132,433	55,040	9,264	302,626
Due in more than one year	590,501	2,905,831	430,804	1,078,011	5,005,147
Total liabilities	817,039	3,734,604	833,191	1,204,956	6,589,790
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred service concession arrangement receipts	.....	2,404	.....	.....	2,404
Total deferred inflows of resources	.....	2,404	.....	.....	2,404
<b>NET POSITION</b>					
Net investment in capital assets	6,554,361	5,867,005	3,647,562	550,995	16,619,923
Restricted for					
Debt service	35,702	38,793	4,147	.....	78,642
Other	608,277	919,381	1,352,490	128,635	3,008,783
Funds held for permanent endowment					
Expendable	.....	190,791	176,908	.....	367,699
Nonexpendable	.....	1,685,896	459,447	.....	2,145,343
Unrestricted	589,961	1,655,418	525,670	240,494	3,011,543
Total net position	\$ 7,788,301	\$ 10,357,284	\$ 6,166,224	\$ 920,124	\$ 25,231,933

2013 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF ACTIVITIES**  
**NONMAJOR COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Water Management Districts	\$ 694,899	\$ 29,294	\$ 81,674	\$ 72,645
Other State Universities	6,033,126	2,290,820	1,801,255	261,215
Florida Colleges	3,210,065	681,136	1,222,890	106,723
Other Nonmajor Component Units	1,011,653	155,212	634,589	25,222
Total component units	\$ 10,949,743	\$ 3,156,462	\$ 3,740,408	\$ 465,805

General revenues

Property taxes

Investment earnings (losses)

Gain (loss) on sale of capital assets

Payments from the State of Florida

Miscellaneous

Contributions to permanent funds

Total general revenues and contributions

Change in net position

Net position - beginning

Net position - ending

## Net (Expense) Revenue and Changes in Net Position

Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/13
\$ (511,286)	\$ .....	\$ .....	\$ .....	\$ (511,286)
.....	(1,679,836)	.....	.....	(1,679,836)
.....	.....	(1,199,316)	.....	(1,199,316)
.....	.....	.....	(196,630)	(196,630)
(511,286)	(1,679,836)	(1,199,316)	(196,630)	(3,587,068)
479,888	.....	.....	.....	479,888
7,678	243,812	106,032	77,023	434,545
316	(24,125)	4,455	(7)	(19,361)
.....	1,225,304	1,143,868	56,000	2,425,172
13,744	349,410	83,663	84,804	531,621
.....	37,383	3,622	.....	41,005
501,626	1,831,784	1,341,640	217,820	3,892,870
(9,660)	151,948	142,324	21,190	305,802
7,797,961	10,205,336	6,023,900	898,934	24,926,131
\$ 7,788,301	\$ 10,357,284	\$ 6,166,224	\$ 920,124	\$ 25,231,933

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# **STATISTICAL SECTION**

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# STATISTICAL SECTION

## Table of Contents

This section of the State of Florida's CAFR provides additional detailed information for use in assessing the financial condition of the government.

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**Net Position by Component  
For the Last Ten Fiscal Years  
(in thousands)**

## SCHEDULE A-1

(Accrual Basis of Accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Governmental Activities</b>					
Net investment of capital assets	\$ 41,779,939	\$ 43,469,131	\$ 46,546,117	\$ 49,603,845	\$ 51,937,584
Restricted					
Environment, Recreation and Conservation	2,058,225	2,251,215	2,974,802	2,861,436	2,910,269
Public Education <sup>(1)(2)</sup>	1,019,230	1,037,249	.....	.....	1,438,845
Health and Family Services	642,614	682,991	800,337	843,301	760,644
Transportation	804,510	1,017,620	1,624,834	1,680,338	1,564,767
Tax Collection and Administration <sup>(1)</sup>	208,388	220,221	.....	.....	.....
Employment Services <sup>(1)</sup>	350,380	405,403	.....	.....	.....
Nonmajor governmental funds	321,728	339,061	2,056,047	2,664,650	1,852,966
Debt Service	75,732	82,955	75,671	72,890	84,221
Other	.....	.....	.....	.....	.....
Funds held for permanent endowment					
Expendable	.....	.....	.....	44,830	409,958
Nonexpendable	1,739,038	1,873,866	2,023,738	2,287,402	1,312,289
Unrestricted	(7,990,134)	(6,051,178)	(5,844,743)	(7,552,727)	(11,996,949)
Total governmental activities net position	<u>\$ 41,009,650</u>	<u>\$ 45,328,534</u>	<u>\$ 50,256,803</u>	<u>\$ 52,505,965</u>	<u>\$ 50,274,594</u>
Percent change from prior year	7.81%	10.53%	10.87%	4.48%	-4.25%
<b>Business-type Activities</b>					
Net investment of capital assets	\$ 2,890,246	\$ 3,331,056	\$ 3,829,792	\$ 4,164,740	\$ 4,360,753
Restricted					
Transportation	.....	.....	.....	.....	154,853
Lottery	201,371	204,037	98,472	90,869	158,532
Prepaid College Program <sup>(4)</sup>	.....	.....	583,816	842,793	727,678
Hurricane Catastrophe Fund	5,476,178	2,387,054	.....	.....	856,986
Reemployment assistance	1,372,721	1,698,824	2,185,249	2,286,489	1,974,312
Other	252,193	395,216	211,257	198,010	.....
Unrestricted	591,731	310,405	(1,103,433)	393,589	622,176
Total business-type activities net position	<u>\$ 10,784,440</u>	<u>\$ 8,326,592</u>	<u>\$ 5,805,153</u>	<u>\$ 7,976,490</u>	<u>\$ 8,855,290</u>
Percent change from prior year	6.04%	-22.79%	-30.28%	37.40%	11.02%
<b>Total Primary Government</b>					
Net investment of capital assets	\$ 44,670,185	\$ 46,800,187	\$ 50,375,909	\$ 53,768,585	\$ 56,298,337
Restricted					
Environment, Recreation and Conservation	2,058,225	2,251,215	2,974,802	2,861,436	2,910,269
Public Education <sup>(1)(2)</sup>	1,019,230	1,037,249	.....	.....	1,438,845
Health and Family Services	642,614	682,991	800,337	843,301	760,644
Transportation <sup>(3)</sup>	804,510	1,017,620	1,624,834	1,680,338	1,719,620
Tax Collection and Administration <sup>(1)</sup>	208,388	220,221	.....	.....	.....
Employment Services <sup>(1)</sup>	350,380	405,403	.....	.....	.....
Nonmajor governmental funds <sup>(1)</sup>	321,728	339,061	2,056,047	2,664,650	1,852,966
Debt Service	75,732	82,955	75,671	72,890	84,221
Lottery	201,371	204,037	98,472	90,869	158,532
Prepaid College Program <sup>(4)</sup>	.....	.....	583,816	842,793	727,678
Hurricane Catastrophe Fund	5,476,178	2,387,054	.....	.....	856,986
Reemployment assistance	1,372,721	1,698,824	2,185,249	2,286,489	1,974,312
Other <sup>(3)</sup>	252,193	395,216	211,257	198,010	.....
Funds held for permanent endowment					
Expendable	.....	.....	.....	44,830	409,958
Nonexpendable	1,739,038	1,873,866	2,023,738	2,287,402	1,312,289
Unrestricted	(7,398,403)	(5,740,773)	(6,948,176)	(7,159,138)	(11,374,773)
Total primary government net position	<u>\$ 51,794,090</u>	<u>\$ 53,655,126</u>	<u>\$ 56,061,956</u>	<u>\$ 60,482,455</u>	<u>\$ 59,129,884</u>
Percent change from prior year	7.44%	3.59%	4.49%	7.89%	-2.24%

Note: Reporting standards require that net position be reported in three components in the financial statements: net investment of capital assets; restricted; and unrestricted. See Schedule A-2 for changes on net position from year to year.

<sup>(1)</sup> Tax Collection and Administration, Public Education, and Employment Services were reclassified as nonmajor as of July 1, 2005.

<sup>(2)</sup> Public Education was reclassified as major as of July 1, 2007.

<sup>(3)</sup> Restricted Net position that were currently classified as "Other" are now being reported as "Transportation."

<sup>(4)</sup> Florida Prepaid College Program was reclassified as major business-type fund as of July 1, 2005.

Fiscal Year				
2009	2010	2011	2012	2013
\$ 54,585,016	\$ 56,935,300	\$ 57,100,033	\$ 58,403,581	\$ 59,994,370
2,563,254	2,440,804	2,359,437	2,409,211	2,533,998
1,223,164	1,064,284	700,343	593,657	390,829
835,026	1,166,423	2,117,546	1,042,253	1,562,739
1,131,641	1,092,578	1,440,141	1,706,083	1,665,701
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
1,886,160	1,666,747	1,401,380	1,195,232	1,137,373
142,933	247,039	286,787	289,922	280,048
.....	476,495	173,331	571,203	557,025
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
(15,242,901)	(15,840,018)	(15,117,243)	(13,435,170)	(10,774,051)
<u>\$ 47,124,293</u>	<u>\$ 49,249,652</u>	<u>\$ 50,461,755</u>	<u>\$ 52,775,972</u>	<u>\$ 57,348,032</u>
-6.27%	4.51%	2.46%	4.59%	8.66%
\$ 4,929,637	\$ 4,910,794	\$ 5,256,229	\$ 5,365,538	\$ 5,841,079
.....	.....	.....	283,979	168,934
120,944	132,687	120,722	135,245	102,088
345,340	483,365	591,401	565,037	829,845
1,749,163	3,230,193	4,729,314	6,424,436	8,295,259
63,026	(903,588)	(1,058,871)	.....	1,158,339
221,745	269,844	279,983	90	4,165
278,870	613,896	549,270	617,183	889,008
<u>\$ 7,708,725</u>	<u>\$ 8,737,191</u>	<u>\$ 10,468,048</u>	<u>\$ 13,391,508</u>	<u>\$ 17,288,717</u>
-12.95%	13.34%	19.81%	27.93%	29.10%
\$ 59,514,653	\$ 61,846,094	\$ 62,356,262	\$ 63,769,119	\$ 65,835,449
2,563,254	2,440,804	2,359,437	2,409,211	2,533,998
1,223,164	1,064,284	700,343	593,657	390,829
835,026	1,166,423	2,117,546	1,042,253	1,562,739
1,131,641	1,092,578	1,440,141	1,990,062	1,834,635
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
1,886,160	1,666,747	1,401,380	1,195,232	1,137,373
142,933	247,039	286,787	289,922	280,048
120,944	132,687	120,722	135,245	102,088
345,340	483,365	591,401	565,037	829,845
1,749,163	3,230,193	4,729,314	6,424,436	8,295,259
63,026	(903,588)	(1,058,871)	.....	1,158,339
221,745	746,339	453,314	571,293	561,190
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
(14,964,031)	(15,226,122)	(14,567,973)	(12,817,987)	(9,885,043)
<u>\$ 54,833,018</u>	<u>\$ 57,986,843</u>	<u>\$ 60,929,803</u>	<u>\$ 66,167,480</u>	<u>\$ 74,636,749</u>
-7.27%	5.75%	5.08%	8.60%	12.80%

**Changes in Net Position**  
**For the Last Ten Fiscal Years**  
**(in thousands)**  
 (Accrual Basis of Accounting)

## SCHEDULE A-2

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Expenses</b>					
Governmental activities:					
General government	\$ 6,637,809	\$ 6,902,109	\$ 7,410,799	\$ 8,410,918	\$ 7,492,475
Education	16,413,985	17,439,674	18,210,639	19,739,622	20,459,549
Human services	18,119,304	19,865,453	19,765,378	20,634,220	21,715,055
Criminal justice and corrections	3,285,460	3,466,376	3,811,677	3,992,990	4,296,298
Natural resources and environment	2,038,909	3,298,381	4,284,896	2,767,852	2,749,924
Transportation	2,632,638	3,147,739	3,308,209	3,545,752	4,098,203
State courts	273,091	367,941	414,044	436,825	464,190
Indirect interest on long-term debt	17,526	20,028	7,062	11,731	12,314
Total governmental activities expenses	49,418,722	54,507,701	57,212,704	59,539,910	61,288,008
Business-type activities:					
Transportation	316,629	321,595	329,966	403,982	446,489
Lottery	2,170,062	2,528,646	2,874,533	3,029,103	2,987,265
Hurricane Catastrophe Fund	35,844	3,811,900	4,758,156	241,568	1,044,927
Prepaid College Program	.....	.....	459,404	855,997	1,302,094
Reemployment assistance	1,330,824	981,954	.....	.....	.....
Nonmajor enterprise funds	159,046	176,683	994,182	1,146,532	1,654,422
Total business-type activities expenses	4,012,405	7,820,778	9,416,241	5,677,182	7,435,197
Total primary government expenses	\$ 53,431,127	\$ 62,328,479	\$ 66,628,945	\$ 65,217,092	\$ 68,723,205
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
General government	\$ 2,913,634	\$ 3,469,736	\$ 3,485,512	\$ 3,765,988	\$ 3,167,668
Education	266,020	209,149	211,352	250,023	291,975
Human services	822,255	885,836	954,495	1,302,926	1,020,441
Criminal justice and corrections	210,415	192,988	267,248	307,550	340,143
Natural resources and environment	275,774	288,837	346,037	368,511	451,363
Transportation	246,640	174,836	651,776	371,726	514,737
State courts	10,226	13,517	17,187	18,512	19,479
Operating grants and contributions	15,874,370	17,492,835	18,057,457	17,105,209	17,500,769
Capital grants and contributions	1,522,849	1,998,133	1,374,611	2,163,715	2,144,946
Total governmental activities program revenues	22,142,183	24,725,867	25,365,675	25,654,160	25,451,521
Business-type activities:					
Charges for services					
Transportation	578,631	665,097	698,409	766,190	738,450
Lottery	3,073,191	3,635,052	3,993,788	4,286,152	4,338,303
Hurricane Catastrophe Fund	580,514	787,759	891,506	1,476,660	1,188,703
Prepaid College Program	.....	.....	502,579	1,114,978	1,619,334
Reemployment assistance	1,059,811	1,253,872	.....	.....	.....
Nonmajor enterprise funds	276,832	264,304	1,552,136	1,324,114	1,413,825
Operating grants and contributions	258,398	49,151	45,214	39,258	29,476
Capital grants and contributions	9,259	432	307	2,287	3,589
Total business-type activities program revenues	5,836,636	6,655,667	7,683,939	9,009,639	9,331,680
Total primary government program revenues	\$ 27,978,819	\$ 31,381,534	\$ 33,049,614	\$ 34,663,799	\$ 34,783,201
<b>Net (Expense) Revenue<sup>(1)</sup></b>					
Governmental activities	\$ (27,276,539)	\$ (29,781,834)	\$ (31,847,029)	\$ (33,885,750)	\$ (35,836,487)
Business-type activities	1,824,231	(1,165,111)	(1,732,302)	3,332,457	1,896,483
Total primary government net (expense)	\$ (25,452,308)	\$ (30,946,945)	\$ (33,579,331)	\$ (30,553,293)	\$ (33,940,004)

Fiscal Year				
2009	2010	2011	2012	2013
\$ 6,878,903	\$ 6,882,931	\$ 6,830,398	\$ 6,342,471	\$ 6,430,345
18,722,159	18,946,684	20,423,515	17,695,809	17,807,322
23,988,006	27,692,169	29,040,946	29,650,274	30,770,664
4,037,197	4,448,382	4,534,992	4,245,923	4,186,869
2,614,491	2,588,478	2,339,268	2,265,464	2,374,092
3,850,791	3,176,790	3,613,936	3,614,062	3,543,133
426,639	427,319	435,153	409,441	455,878
15,586	18,759	6,751	6,257	5,904
60,533,772	64,181,512	67,224,959	64,229,701	65,574,207
402,235	383,106	385,564	421,724	426,056
2,765,729	2,747,599	2,864,709	3,188,011	3,619,597
676,970	362,318	236,475	113,808	(95,313)
1,037,026	1,523,217	691,977	2,010,300	(149,009)
4,307,809	7,656,494	5,743,471	3,407,135	2,389,913
267,722	264,580	268,936	256,936	287,278
9,457,491	12,937,314	10,191,132	9,397,914	6,478,522
\$ 69,991,263	\$ 77,118,826	\$ 77,416,091	\$ 73,627,615	\$ 72,052,729
\$ 3,411,639	\$ 3,938,356	\$ 4,092,321	\$ 4,680,250	\$ 5,153,314
133,346	229,149	152,217	156,917	243,580
1,629,514	1,156,988	1,491,338	1,901,175	1,363,570
293,457	772,557	775,476	729,837	762,411
346,240	400,700	382,261	352,007	336,560
333,953	343,782	255,995	361,627	485,131
43,385	421,501	232,771	247,645	105,006
20,164,996	26,831,434	27,920,491	23,925,002	25,852,502
1,986,579	1,974,293	2,058,453	2,036,464	2,022,429
28,343,109	36,068,760	37,361,323	34,390,924	36,324,503
747,347	700,803	699,675	715,835	851,997
4,017,816	4,006,864	4,044,597	4,524,446	5,012,842
1,242,072	1,524,012	1,358,918	1,362,133	1,295,500
654,688	1,661,241	799,886	1,983,897	115,727
931,516	1,242,684	1,722,484	2,200,841	2,235,316
352,554	386,372	362,184	358,972	380,370
1,665,431	5,453,925	3,863,733	2,165,114	1,442,864
659	6,055	270	289	6,414
9,612,083	14,981,956	12,851,747	13,311,527	11,341,030
\$ 37,955,192	\$ 51,050,716	\$ 50,213,070	\$ 47,702,451	\$ 47,665,533
\$ (32,190,663)	\$ (28,112,752)	\$ (29,863,636)	\$ (29,838,777)	\$ (29,249,704)
154,592	2,044,642	2,660,615	3,913,613	4,862,508
\$ (32,036,071)	\$ (26,068,110)	\$ (27,203,021)	\$ (25,925,164)	\$ (24,387,196)

**Changes in Net Position**  
**For the Last Ten Fiscal Years**  
**(in thousands)**  
 (Accrual Basis of Accounting)

**SCHEDULE A-2**  
**(Continued)**

**General Revenues and Other Changes in Net Position**

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities:					
Taxes					
Sales and use tax	\$ 17,128,515	\$ 19,056,249	\$ 20,729,364	\$ 20,684,191	\$ 19,716,442
Fuel taxes	2,316,572	2,414,012	2,591,946	2,575,303	2,548,254
Corporate income tax	1,441,338	1,785,213	2,363,056	2,450,357	2,253,781
Documentary stamp tax	2,613,194	3,376,210	4,051,479	3,022,536	1,924,526
Intangible personal property tax	860,046	998,904	1,104,008	757,163	428,804
Communication service tax	1,250,208	1,343,835	1,433,092	1,484,954	1,546,853
Beverage and tobacco taxes	1,041,042	1,088,542	1,102,408	1,112,580	1,043,526
Insurance premium tax	711,145	764,559	879,079	995,340	940,534
Gross receipts utilities tax	462,172	496,725	585,520	615,280	670,442
Other taxes	1,088,378	1,010,806	477,156	518,536	657,981
Investment earnings (loss)	(66,838)	300,620	174,039	812,617	578,770
Gain (loss) on sale of capital assets	.....	.....	(75,501)	(250,925)	(107,535)
Miscellaneous	11	.....	.....	.....	.....
Transfers	1,216,769	1,249,753	1,321,420	1,356,980	1,377,500
Total governmental activities	30,062,552	33,885,428	36,737,066	36,134,912	33,579,878
Business-type activities:					
Investment earnings	13,181	28,872	15,877	10,640	11,270
Gain (loss) on sale of capital assets	(17,063)	(17,018)	(10,341)	(10,006)	(6,425)
Emergency assessments	.....	.....	.....	195,226	356,697
Miscellaneous	(2,544)	(1,272)	(808)	.....	.....
Transfers	(1,216,769)	(1,249,753)	(1,321,420)	(1,356,980)	(1,377,500)
Total business-type activities	(1,223,195)	(1,239,171)	(1,316,692)	(1,161,120)	(1,015,958)
Total primary government	\$ 28,839,357	\$ 32,646,257	\$ 35,420,374	\$ 34,973,792	\$ 32,563,920
<b>Change in Net Position</b>					
Governmental activities	\$ 2,786,013	\$ 4,103,594	\$ 4,890,035	\$ 2,249,162	\$ (2,256,609)
Business-type activities <sup>(2)</sup>	601,036	(2,404,282)	(3,048,994)	2,171,337	880,525
Total primary government <sup>(3)</sup>	\$ 3,387,049	\$ 1,699,312	\$ 1,841,041	\$ 4,420,499	\$ (1,376,084)

<sup>(1)</sup> Net (Expense) Revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants and its reliance upon funding from general revenues.

<sup>(2)</sup> In 2005 and 2006, the business-type activities expenses increased primarily as a result of an increase in hurricane reinsurance claims.

<sup>(3)</sup> See Schedule A-1 for ending net asset balances for reported years.

SCHEDULE A-2  
(Continued)

Fiscal Year				
2009	2010	2011	2012	2013
\$ 17,277,989	\$ 17,102,054	\$ 17,822,003	\$ 18,632,812	\$ 19,914,591
2,495,280	2,505,193	2,512,393	2,515,654	2,580,843
1,698,356	1,785,291	1,880,365	2,042,537	2,055,440
1,104,758	1,077,836	1,152,222	1,289,321	1,662,044
197,391	158,643	163,553	190,247	279,047
1,541,548	1,515,675	1,427,851	1,389,752	1,422,775
1,063,483	1,872,646	1,886,065	1,847,468	1,700,095
846,851	862,520	876,744	884,180	907,004
662,059	673,013	647,558	611,534	588,765
668,137	971,197	1,022,728	1,068,535	1,142,373
(290,686)	555,053	369,459	288,425	104,112
(126,527)	(59,943)	(3,450)	(21,408)	(62,746)
.....	.....	68	.....	.....
1,469,607	1,352,669	1,318,180	1,452,437	1,534,368
28,608,246	30,371,847	31,075,739	32,191,494	33,828,711
2,055	9,526	4,353	5,148	496
(1,694)	(2,374)	(2,732)	(717)	(4,679)
336,963	329,341	386,676	456,797	490,011
.....	.....	127	1,056	740
(1,469,607)	(1,352,669)	(1,318,180)	(1,452,437)	(1,534,368)
(1,132,283)	(1,016,176)	(929,756)	(990,153)	(1,047,800)
\$ 27,475,963	\$ 29,355,671	\$ 30,145,983	\$ 31,201,341	\$ 32,780,911
\$ (3,582,417)	\$ 2,259,095	\$ 1,212,103	\$ 2,352,717	\$ 4,579,007
(977,691)	1,028,466	1,730,859	2,923,460	3,814,708
\$ (4,560,108)	\$ 3,287,561	\$ 2,942,962	\$ 5,276,177	\$ 8,393,715

**Fund Balances****Governmental Funds****Last Ten Fiscal Years****(in thousands)**

(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>General Fund (Per GASB 54)<sup>(1)</sup>:</b>					
Nonspendable	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Restricted	.....	.....	.....	.....	.....
Committed	.....	.....	.....	.....	.....
Unassigned	.....	.....	.....	.....	.....
Total general fund	.....	.....	.....	.....	.....
Percent change from prior year	.....	.....	.....	.....	.....
<b>Other Governmental Funds (Per GASB 54)<sup>(1)</sup>:</b>					
Nonspendable	.....	.....	.....	.....	.....
Restricted	.....	.....	.....	.....	.....
Committed	.....	.....	.....	.....	.....
Unassigned	.....	.....	.....	.....	.....
Total other governmental funds	.....	.....	.....	.....	.....
<b>Total Governmental Funds<sup>(2)</sup></b>	<b>\$ .....</b>	<b>\$ .....</b>	<b>\$ .....</b>	<b>\$ .....</b>	<b>\$ .....</b>
Percent change from prior year	.....	.....	.....	.....	.....
<b>General Fund (Prior to GASB 54):</b>					
Reserved for:					
Encumbrances	\$ 43,172	\$ 78,253	\$ 51,988	\$ 106,922	\$ 104,614
Inventories	26,024	16,091	19,040	25,272	14,628
Advances	16,748	12,719	2,712	2,628	2,631
Long-term receivables	37,895	78,494	65,974	61,373	50,686
Capital outlay	62,855	93,857	243,947	207,807	177,049
Budget Stabilization Fund	966,390	995,805	1,092,081	1,248,490	1,353,690
Working Capital Fund	1,473,221	316,562	.....	.....	.....
Other	1,437	2,067	2,031	2,597	2,806
Unreserved	2,426,497	5,257,271	6,572,190	5,574,678	2,324,588
Total general fund	5,054,239	6,851,119	8,049,963	7,229,767	4,030,692
Percent change from prior year	39.25%	35.55%	17.50%	-10.19%	-44.25%
<b>Other Governmental Funds (Prior to GASB 54):</b>					
Reserved for:					
Encumbrances	54,250	719,895	1,214,792	135,249	81,220
Inventories	52,426	52,309	57,319	64,374	75,957
Advances	153,602	173,247	187,722	211,340	222,848
Long-term receivables	1,680,902	1,461,031	1,586,949	2,047,689	2,341,669
Capital outlay	2,178,477	1,839,728	2,294,027	3,503,486	3,568,444
Debt service	75,732	82,955	75,671	72,890	84,221
Permanent trust	1,739,038	1,873,866	2,023,738	2,332,232	1,722,247
Working Capital Fund	.....	107,171	.....	.....	.....
Other	91,242	.....	158,088	155,275	113,439
Unreserved, reported in:					
Special revenue funds	3,173,987	3,705,392	4,093,227	3,631,599	3,323,598
Capital projects funds	21,741	41,250	28,779	45,703	17,733
Permanent funds	2,640	1,982	2,649	3,005	412,246
Total other governmental funds	9,224,037	10,058,826	11,722,961	12,202,842	11,963,622
<b>Total Governmental Funds<sup>(2)</sup></b>	<b>\$ 14,278,276</b>	<b>\$ 16,909,945</b>	<b>\$ 19,772,924</b>	<b>\$ 19,432,609</b>	<b>\$ 15,994,314</b>
Percent change from prior year	13.34%	18.43%	16.93%	-1.72%	-17.69%

<sup>(1)</sup> The state implemented GASB Statement 54 in Fiscal Year 2011, which significantly changed the fund balance classifications.

Fiscal year 2011 fund balance classifications are not comparable to prior years' classifications.

<sup>(2)</sup> See Schedule A-4 for changes in fund balances from year to year.

Fiscal Year				
2009	2010	2011	2012	2013
\$ .....	\$ .....	\$ 76,554	\$ 33,323	\$ 27,518
.....	.....	52,767	49,739	60,359
.....	.....	887,891	982,189	746,914
.....	.....	2,609,956	3,735,358	5,322,056
.....	.....	3,627,168	4,800,609	6,156,847
.....	.....	-13.01%	32.35%	28.25%
.....	.....	59,967	74,260	117,133
.....	.....	4,565,723	4,651,214	5,301,861
.....	.....	5,598,547	4,389,415	4,880,459
.....	.....	.....	.....	(743,777)
.....	.....	10,224,237	9,114,889	9,555,676
<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ 13,851,405</u>	<u>\$ 13,915,498</u>	<u>\$ 15,712,523</u>
.....	.....	1.42%	0.46%	12.91%
\$ 103,142	\$ 67,330	\$ .....	\$ .....	\$ .....
15,422	11,779	.....	.....	.....
64,390	54,904	.....	.....	.....
168	137	.....	.....	.....
102,685	91,868	.....	.....	.....
273,874	274,916	.....	.....	.....
.....	.....	.....	.....	.....
616,822	684,063	.....	.....	.....
2,191,735	2,984,775	.....	.....	.....
3,368,238	4,169,772	.....	.....	.....
-16.44%	23.80%	.....	.....	.....
116,822	190,104	.....	.....	.....
63,167	44,172	.....	.....	.....
374,379	1,064,894	.....	.....	.....
2,361,484	2,433,814	.....	.....	.....
2,621,895	2,424,194	.....	.....	.....
142,933	247,039	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
245,016	233,217	.....	.....	.....
2,806,191	2,829,255	.....	.....	.....
5,913	19,072	.....	.....	.....
1,687	2,276	.....	.....	.....
8,739,487	9,488,037	.....	.....	.....
<u>\$ 12,107,725</u>	<u>\$ 13,657,809</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ .....</u>
-24.30%	12.80%	.....	.....	.....

**Changes in Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
 (Modified Accrual Basis of Accounting)

## SCHEDULE A-4

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Revenues</b>					
Taxes	\$ 28,912,610	\$ 32,334,920	\$ 35,317,243	\$ 34,216,240	\$ 31,544,362
Licenses and permits	1,165,928	1,263,525	1,318,920	1,349,929	1,300,154
Fees and charges	2,351,133	2,488,530	3,141,434	3,366,361	3,517,982
Grants and donations	17,254,145	19,270,292	19,567,321	19,204,113	19,610,900
Investment earnings	210,791	729,118	455,205	1,418,723	772,331
Fines, forfeits, settlements and judgments	594,967	630,682	804,869	830,178	818,804
Other revenue	214,840	317,190	17,881	73,878	44,062
Total revenues	50,704,414	57,034,257	60,622,873	60,459,422	57,608,595
<b>Expenditures</b>					
Current:					
General government	6,610,855	6,891,380	7,428,922	8,351,906	7,684,863
Education	15,828,609	16,844,368	17,643,897	19,168,847	19,842,205
Human services	18,083,861	19,810,089	19,755,015	20,586,256	21,768,923
Criminal justice and corrections	3,172,357	3,384,667	3,673,967	3,912,691	4,173,403
Natural resources and environment	1,747,445	3,030,371	4,030,076	2,733,006	2,721,304
Transportation	2,520,378	3,021,534	3,188,602	3,456,266	3,971,868
State courts	269,972	360,374	412,793	435,531	457,883
Capital outlay	2,109,937	2,148,634	2,639,161	3,005,688	2,636,135
Gain/(loss) on disposal of general fixed assets	.....	.....	.....	768	.....
Debt service:					
Principal retirement	674,697	795,954	736,331	810,726	860,289
Interest and fiscal charges	838,163	825,872	835,993	842,558	903,637
Total expenditures	51,856,274	57,113,243	60,344,757	63,304,243	65,020,510
Excess (deficiency) of revenues over expenditures	(1,151,860)	(78,986)	278,116	(2,844,821)	(7,411,915)
<b>Other Financing Sources (Uses)</b>					
Proceeds of bond issues	1,333,158	1,231,340	1,152,268	1,110,197	2,571,311
Proceeds of refunding bonds	166,383	2,470,805	426,107	401,977	94,760
Operating transfers in	12,931,311	13,472,264	10,901,916	9,982,178	9,847,759
Operating transfers out	(11,552,231)	(12,107,675)	(9,559,920)	(8,606,547)	(8,456,830)
Proceeds of financing agreements	57,383	44,819	23,751	18,678	8,984
Payments to refunded bond agent	(166,383)	(2,470,805)	(426,107)	(401,977)	(94,760)
Total other financing sources (uses)	2,769,621	2,640,748	2,518,015	2,504,506	3,971,224
Net change in fund balances	\$ 1,617,761	\$ 2,561,762	\$ 2,796,131	\$ (340,315)	\$ (3,440,691)
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	3.0%	3.0%	2.7%	2.7%	2.8%

Fiscal Year				
2009	2010	2011	2012	2013
\$ 27,693,512	\$ 28,391,262	\$ 29,355,780	\$ 30,480,459	\$ 32,173,233
1,261,366	1,396,105	1,462,002	1,519,256	1,851,362
3,521,215	4,507,761	4,543,730	5,236,550	4,930,332
22,075,028	28,302,772	30,231,722	25,891,493	27,596,477
(164,294)	776,902	495,585	461,343	191,892
764,621	1,231,959	1,183,431	1,234,008	1,537,935
58,267	54,325	119,190	171,866	148,442
55,209,715	64,661,086	67,391,440	64,994,975	68,429,673
6,633,032	6,830,572	6,750,211	6,363,177	6,416,211
18,048,122	18,201,985	19,685,314	16,960,772	17,149,935
23,436,257	27,506,447	29,070,430	29,663,993	30,594,941
3,949,006	4,293,598	4,436,318	4,106,400	4,025,052
2,418,472	2,353,990	2,162,579	2,095,042	2,206,123
3,727,772	3,050,317	3,504,054	3,183,656	3,730,419
403,267	430,980	426,559	401,216	445,686
2,523,481	2,171,050	1,239,097	2,276,467	2,424,648
.....	.....	.....	.....	.....
943,493	1,093,865	1,153,973	1,310,958	1,270,667
971,752	1,024,211	1,054,036	1,019,426	960,974
63,054,654	66,957,015	69,482,571	67,381,107	69,224,656
(7,844,939)	(2,295,929)	(2,091,131)	(2,386,132)	(794,983)
1,901,696	1,705,534	962,333	317,936	229,511
.....	1,961,934	1,540,777	2,799,911	1,759,221
9,659,500	10,203,770	9,413,135	9,611,610	9,648,910
(8,185,220)	(8,841,850)	(8,091,465)	(8,141,874)	(8,097,250)
117,960	9,594	724	662,553	631,503
.....	(1,961,934)	(1,540,777)	(2,799,911)	(1,759,221)
3,493,936	3,077,048	2,284,727	2,450,225	2,412,674
\$ (4,351,003)	\$ 781,119	\$ 193,596	\$ 64,093	\$ 1,617,691
3.2%	3.3%	3.2%	3.5%	3.3%

**Revenue Base/Rate**  
**Calendar Years 2012 and 2003**  
**Last Ten Calendar Years**  
**(in thousands)**

## SCHEDULE B-1

	Calendar Year				
	2003	2004	2005	2006	2007
Agriculture	\$ 2,113,243	\$ 2,227,668	\$ 2,242,702	\$ 2,076,127	\$ 1,652,121
Mining	487,506	570,630	751,037	849,709	663,193
Construction	3,896,686	4,186,326	4,881,040	5,220,010	3,990,215
Manufacturing	13,314,291	14,619,140	17,726,833	18,880,215	16,277,337
Transportation	7,585,459	8,735,773	9,548,276	10,823,084	10,852,559
Communications <sup>(1)</sup>	12,185,447	13,165,323	14,253,972	15,042,938	15,677,020
Wholesale	12,559,558	17,282,512	22,480,523	25,890,934	21,307,898
Retail trade	171,423,008	178,084,155	198,092,426	192,829,254	182,161,612
Finance and insurance	20,805,219	21,102,170	23,697,839	18,872,894	20,875,323
Services	36,410,711	39,880,201	44,364,948	45,374,785	46,330,585
Government	264,591	147,522	102,172	211,732	274,053
Other	1,995,127	1,942,456	1,470,912	1,235,108	1,708,341
<b>Total</b>	<b>\$ 283,040,846</b>	<b>\$ 301,943,876</b>	<b>\$ 339,612,680</b>	<b>\$ 337,306,790</b>	<b>\$ 321,770,257</b>
State direct sales tax rate	6.0%	6.0%	6.0%	6.0%	6.0%

Note: The sales tax rate on non-residential electricity is 7.0% The sales tax rate on communication services (nonresidential phone and all cable) was 6.8% from October 1, 2001. The sales tax rate on amusement machines is 4.0%. As of July 1, 2005, the sales tax requirement for farm equipment changed from a 2.5% tax rate to become exempt from sales tax.

Taxable sales information is available for reporting on a calendar-year basis only.

<sup>(1)</sup> Taxable sales associated with communications services tax.

<sup>(2)</sup> Beginning in 2002, industry classification standards changed from the Standard Industry Classification (SIC) system to the North American Industry Classification System (NAICS), which modified how business establishments are classified. Since GASB statement 44 requires reporting for 10 prior fiscal years, NAICS data was not available for the complete prior reporting periods and SIC based data has been used to complete prior reports. Beginning with calendar year 2012, NAICS data is available for the full 10 prior year reporting periods. Figures and summaries provided for this and future reports will be based upon NAICS classifications.

Source: Florida Department of Revenue

Calendar Year				
2008	2009	2010	2011	2012 <sup>(2)</sup>
\$ 1,369,553	\$ 1,169,974	\$ 1,114,023	\$ 1,165,247	\$ 593,296
469,944	320,213	295,621	311,842	331,665
3,343,767	2,813,374	2,820,903	2,804,215	3,126,150
14,056,016	11,479,034	10,878,166	11,513,052	11,662,104
10,965,637	11,215,193	10,838,604	11,436,895	8,634,841
15,924,520	16,084,681	17,837,511	15,104,143	14,512,956
19,899,564	17,283,554	19,514,708	19,661,065	10,112,139
164,058,988	158,206,374	161,552,218	173,087,498	158,134,617
21,022,328	27,554,293	27,456,593	28,324,565	39,688,012
46,799,729	44,001,387	45,724,851	47,962,744	77,920,525
354,338	331,221	307,812	345,215	320,316
817,777	757,198	741,152	811,416	803,974
<u>\$ 299,082,161</u>	<u>\$ 291,216,496</u>	<u>\$ 299,082,162</u>	<u>\$ 312,527,897</u>	<u>\$ 325,840,595</u>
6.0%	6.0%	6.0%	6.0%	6.0%

**Principal Sales Tax Payers By Industry**  
**Calendar Years 2012 and 2003**  
(dollars are in thousands)

## SCHEDULE B-2

Industry	Calendar Year 2012			Calendar Year 2003		
	Number of filers	Sales Tax Liability	Percentage of Total	Number of filers	Sales Tax Liability	Percentage of Total
Agriculture	4,483	\$ 38,526	0.18%	9,806	\$ 98,629	0.53%
Mining	743	21,420	0.10%	925	33,060	0.18%
Construction	8,872	203,217	0.95%	9,084	287,418	1.54%
Manufacturing	30,500	757,108	3.53%	29,429	863,865	4.61%
Transportation & utilities	6,093	613,803	2.86%	8,059	558,560	2.98%
Communications	3,010	981,769	4.58%	2,754	828,610	4.42%
Wholesale	42,131	662,231	3.09%	36,641	580,411	3.10%
Retail trade	241,914	10,306,497	48.04%	265,984	9,841,737	52.55%
Finance and insurance	194,637	2,616,240	12.20%	160,059	1,959,961	10.47%
Services	149,920	5,177,056	24.13%	130,217	3,438,294	18.36%
Government	177	22,318	0.10%	145	218,064	1.16%
Other	4,038	52,606	0.24%	3,135	19,595	0.10%
Total	686,518	\$ 21,452,791	100.00%	656,238	\$ 18,728,204	100.00%

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available for reporting.

The categories presented are intended to provide alternative information regarding the sources of the state's revenue. In addition, some of the categories from the revenue base/rate schedule have been combined in preparing this schedule.

Taxable sales information is available for reporting on a calendar-year basis only.

Source: Florida Department of Revenue

**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(dollars in millions, except per capita)**

Fiscal Year	Governmental Activities							Business-type Activities		
	Full Faith and Credit	Pledged Revenue	Installment Purchases and Capital Leases	Public-Private Partnerships <sup>(3)</sup>	Certificates of Participation	Total Governmental	Pledged Revenue	Total Primary Government	Debt as a Percentage of Tax-supported Revenues <sup>(1)</sup>	Debt Per Capita <sup>(2)</sup>
2004	\$ 11,170	\$ 5,301	\$ 182	\$ .....	\$ 91	\$ 16,744	\$ 2,159	\$ 18,903	72.41%	\$ 1,087.95
2005	12,035	5,245	174	.....	85	17,539	2,071	19,610	66.37%	1,103.04
2006	11,476	5,379	144	.....	279	17,278	3,358	20,636	62.56%	1,136.69
2007	12,004	5,227	135	.....	267	17,633	6,361	23,994	74.28%	1,300.72
2008	12,939	5,912	111	.....	256	19,218	10,220	29,438	98.97%	1,581.51
2009	13,417	6,395	207	.....	395	20,414	7,714	28,128	108.18%	1,505.18
2010	13,782	7,362	70	.....	846	22,060	8,600	30,660	108.16%	1,630.74
2011	14,067	7,235	53	.....	807	22,162	8,230	30,392	102.83%	1,607.61
2012	13,405	6,760	60	1,649	766	22,640	7,990	30,630	99.75%	1,605.88
2013	12,656	6,014	69	2,280	723	21,742	6,107	27,849	86.13%	1,445.98

Note: Details regarding the state's outstanding debt can be found in Notes 8 and 9 to the Financial Statements.

<sup>(1)</sup> Tax-supported revenues are comprised of State General Revenue receipts, including primarily sales and use tax revenues, and revenues generated from taxes specifically pledged for repayment of debt. See Schedule C-3 for a more complete description of tax-supported revenues.

<sup>(2)</sup> Population data used in calculation of this ratio can be found in Schedule D-1.

<sup>(3)</sup> This column accounts for Public-Private Partnership agreements recorded as of fiscal year 2012. Refer to Notes 1(J), 9, and 10 for further detail.

## Ratios of Net General Bonded Debt Outstanding

## SCHEDULE C-2

## Last Ten Fiscal Years

(dollars in millions, except per capita)

Fiscal Year	General Bonded Debt Outstanding				Net General Bonded Debt Outstanding	Debt as a Percentage of Tax-supported Revenue <sup>(1)</sup>	Per Capita <sup>(2)</sup>
	Full Faith and Credit	Certificates of Participation	Total	Restricted Resources			
2004	\$ 11,170	\$ 91	\$ 11,261	\$ 76	\$ 11,185	42.85%	\$ 643.75
2005	12,035	85	12,120	83	12,037	40.74%	677.07
2006	11,476	279	11,755	76	11,679	35.41%	643.31
2007	12,004	267	12,271	73	12,198	37.76%	661.25
2008	12,939	256	13,195	84	13,111	44.08%	704.37
2009	13,417	395	13,812	143	13,669	52.57%	731.45
2010	13,782	846	14,628	247	14,381	50.73%	764.89
2011	14,067	807	14,874	287	14,587	49.35%	771.59
2012	13,405	766	14,171	290	13,881	45.20%	727.76
2013	12,656	723	13,379	280	13,099	40.51%	680.13

Note: Details regarding the state's outstanding debt can be found in Notes 8 and 9 to the Financial Statements.

<sup>(1)</sup> Tax-supported revenues are comprised of State General Revenue receipts, including primarily sales and use tax revenues, and revenues generated from taxes specifically pledged for repayment of debt. See Schedule C-3 for a more complete description of tax-supported revenues.

<sup>(2)</sup> Population data used in calculation of this ratio can be found in Schedule D-1.

**Legal Debt Margin**  
**Last Ten Fiscal Years**  
(dollars in millions)

## SCHEDULE C-3

Legal debt margin calculated for fiscal year 2012-2013:

Tax-supported revenues <sup>(1)</sup>	\$ 32,334
Debt limit <sup>(2)</sup>	1,940
Debt applicable to limit:	
Aggregate debt service on tax-supported debt	<u>2,196</u>
Legal debt margin	<u>\$ (256)</u>

	2004	2005	2006	2007	2008	2009 <sup>(3)</sup>	2010 <sup>(3)</sup>	2011 <sup>(3)</sup>	2012 <sup>(3)</sup>	2013
Debt limit <sup>(2)</sup>	\$ 1,566	\$ 1,773	\$ 1,979	\$ 1,938	\$ 1,785	\$ 1,560	\$ 1,701	\$ 1,773	\$ 1,843	\$ 1,940
Total debt applicable to limit	<u>1,552</u>	<u>1,596</u>	<u>1,681</u>	<u>1,772</u>	<u>1,898</u>	<u>2,058</u>	<u>2,095</u>	<u>2,204</u>	<u>2,191</u>	<u>2,196</u>
Legal debt margin	<u>\$ 14</u>	<u>\$ 177</u>	<u>\$ 298</u>	<u>\$ 166</u>	<u>\$ (113)</u>	<u>\$ (498)</u>	<u>\$ (394)</u>	<u>\$ (431)</u>	<u>\$ (348)</u>	<u>\$ (256)</u>
Total net debt applicable to the limit as a percentage of debt limit.	99.11%	90.02%	84.94%	91.43%	106.33%	131.92%	123.19%	124.31%	118.88%	113.20%

<sup>(1)</sup> For purposes of this Schedule C-3, tax-supported revenues are comprised of the general revenues of the state, including primarily sales and use tax receipts, and the specific state tax revenues pledged for payment of debt service. Tax-supported debt is debt secured by the full faith and credit of the state or payable from general revenue or specified state tax sources. As of June 30, 2013, the total outstanding balance of tax-supported debt was approximately \$20,347,700,000.

<sup>(2)</sup> The state debt fiscal responsibility policy, Section 215.98, Florida Statutes, establishes the ratio of tax-supported debt service to tax-supported revenues as the benchmark debt ratio for purposes of setting the state's legal debt margin. Under the present policy, if the ratio exceeds 6%, additional tax-supported debt may be authorized only if the legislature determines the additional debt is in the best interest of the state. If the ratio exceeds 7%, additional tax-supported debt may be authorized only if the legislature determines it is necessary to address a critical state emergency. The 6% ratio has been used to determine the debt limit in this schedule.

<sup>(3)</sup> In Fiscal Years 2009, 2010, 2011, and 2012 tax-supported debt service exceeded 7% of tax-supported revenues.

Source: Florida State Board of Administration, Division of Bond Finance

**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
(dollars in thousands)

The schedules below contain information regarding revenues pledged to repay debt obligations. For each bond type, the schedules disclose Gross Revenue, Operating Expenses, Net Revenue Available for Debt Service, Principal, Interest, and Coverage Ratio. The bond types with operating expenses are considered self-supporting debt and are paid from the associated facilities being financed. If operating expenses are not shown, the bond type is considered to be Net Tax Supported Debt and serviced by dedicated tax or fee revenues.

Year Ended 6/30	Revenue <sup>(1)</sup>	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Principal	Interest <sup>(2)</sup>	
<b>Florida Turnpike</b>						
2004	534,755	153,485	381,270	58,615	106,783	2.31
2005	598,762	157,570	441,192	70,910	103,940	2.52
2006	647,959	155,357	492,602	60,135	98,536	3.10
2007	681,615	175,386	506,229	65,610	102,844	3.01
2008	650,743	184,218	466,525	72,665	118,657	2.44
2009	604,897	190,603	414,294	81,660	121,485	2.04
2010	611,596	172,422	439,174	91,405	132,816	1.96
2011	611,946	180,060	431,886	99,000	144,061	1.78
2012	620,201	173,704	446,497	105,060	138,179	1.84
2013	767,985	157,388	610,597	111,680	133,549	2.49
<b>Florida Forever/Preservation 2000/Everglades</b>						
2004	1,533,100	.....	1,533,100	186,045	148,929	4.58
2005	1,960,100	.....	1,960,100	194,640	140,275	5.85
2006	2,363,800	.....	2,363,800	213,378	135,020	6.78
2007	1,776,500	.....	1,776,500	230,120	137,480	4.83
2008	1,138,600	.....	1,138,600	246,045	135,064	2.99
2009	655,500	.....	655,500	272,975	140,919	1.58
2010	622,282	.....	622,282	275,925	127,008	1.54
2011	669,440	.....	669,440	308,085	125,948	1.54
2012	729,901	.....	729,901	321,675	104,460	1.71
2013	950,700	.....	950,700	345,485	88,253	2.19
<b>Lottery Education <sup>(3)</sup></b>						
2004	1,051,658	.....	1,051,658	77,975	100,797	5.88
2005	1,103,633	.....	1,103,633	84,255	102,638	5.91
2006	1,224,651	.....	1,224,651	95,430	106,922	6.05
2007	1,263,272	.....	1,263,272	103,920	105,579	6.03
2008	1,283,414	.....	1,283,414	119,030	119,451	5.38
2009	1,287,856	.....	1,287,856	139,955	145,166	4.52
2010	1,247,150	.....	1,247,150	156,660	145,787	4.12
2011	1,184,000	.....	1,184,000	168,607	146,329	3.76
2012	1,321,663	.....	1,321,663	176,845	134,745	4.24
2013	1,424,307	.....	1,424,307	185,661	125,883	4.57
<b>Alligator Alley</b>						
2004	14,118	5,297	8,821	1,070	2,597	2.41
2005	14,437	5,114	9,323	1,135	2,533	2.54
2006	18,968	6,016	12,952	1,205	2,462	3.53
2007	23,538	6,673	16,865	1,335	1,854	5.29
2008	21,962	5,547	16,415	1,345	2,105	4.76
2009	19,384	7,292	12,092	1,395	2,051	3.51
2010	19,948	6,360	13,588	1,460	1,988	3.94
2011	19,737	7,059	12,678	1,525	1,923	3.68
2012	19,647	7,243	12,404	1,590	1,858	3.60
2013	25,115	7,409	17,706	1,660	1,790	5.13
<b>State Infrastructure Bank</b>						
2007	39,602	.....	39,602	5,195	3,000	4.83
2008	43,550	.....	43,550	5,915	5,785	3.72
2009	48,924	.....	48,924	5,390	5,543	4.47
2010	48,924	.....	48,924	7,075	5,296	3.95
2011	56,698	.....	56,698	8,265	4,962	4.29
2012	76,531	.....	76,531	11,200	4,548	4.86
2013	64,368	.....	64,368	9,955	3,988	4.62

**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
(dollars in thousands)

## SCHEDULE C-4

Year Ended	Revenue <sup>(1)</sup>	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
6/30				Principal	Interest <sup>(2)</sup>	
<b>Florida Hurricane Catastrophe Fund Finance Corporation</b>						
2007	1,580,008	15,108	1,564,900	.....	113,300	13.81
2008	1,886,868	15,639	1,871,229	.....	311,397	6.01
2009	1,570,615	16,224	1,554,391	309,673	199,167	3.05
2010	1,798,380	15,467	1,782,913	256,655	115,739	4.79
2011	1,714,728	15,644	1,699,084	269,485	122,919	4.33
2012	1,791,238	14,642	1,776,596	282,660	121,597	4.39
2013	1,746,135	17,071	1,729,064	3,796,795	80,687	0.45 <sup>(5)</sup>
<b>State University System Bonds</b>						
2011	37,798	.....	37,798	16,240	11,306	1.37
2012	40,055	.....	40,055	16,495	10,766	1.47
2013	51,730	.....	51,730	17,335	9,614	1.92
<b>University Auxiliary Bonds</b>						
<b>Parking System Revenue Bonds</b>						
<b>Florida International University</b>						
2011	10,009	3,212	6,797	2,230	2,165	1.55
2012	11,435	4,673	6,762	2,710	2,865	1.21
2013	12,663	4,062	8,601	2,815	2,151	1.73
<b>University of South Florida</b>						
2011	12,544	7,277	5,267	1,990	1,570	1.48
2012	13,549	7,944	5,605	2,130	1,429	1.57
2013	13,187	7,799	5,388	2,205	1,354	1.51
<b>Florida Agricultural &amp; Mechanical University</b>						
2011	2,628	1,338	1,290	155	77	5.56
2012	2,708	1,261	1,447	160	70	6.29
2013	2,422	1,538	884	170	61	3.82
<b>University of Florida</b>						
2011	12,276	7,388	4,888	1,905	1,225	1.56
2012	12,255	7,320	4,935	2,075	1,055	1.58
2013	11,988	7,545	4,443	2,165	965	1.42
<b>Florida Atlantic University</b>						
2011	5,708	2,233	3,475	750	508	2.76
2012	6,962	3,486	3,476	805	456	2.76
2013	7,324	2,821	4,503	835	544	3.27
<b>University of Central Florida</b>						
2011	16,181	3,379	12,801	2,235	1,567	3.37
2012	18,576	3,149	15,427	2,880	1,833	3.27
2013	19,199	3,545	15,654	3,065	1,674	3.30
<b>Florida State University</b>						
2011	9,857	2,145	7,712	2,605	1,901	1.71
2012	11,104	2,347	8,757	3,395	2,223	1.56
2013	11,879	2,660	9,219	3,515	2,112	1.64
<b>Housing System Revenue Bonds</b>						
<b>Florida Agricultural &amp; Mechanical University</b>						
2013	11,600	6,856	4,744	1,216	3,145	1.09
<b>Florida International University</b>						
2011	23,518	12,418	11,099	3,430	3,694	1.56
2012	25,069	14,049	11,020	3,765	3,395	1.54
2013	25,991	14,149	11,842	3,975	4,691	1.37

**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
(dollars in thousands)

SCHEDULE C-4  
(Continued)

Year Ended		Less Operating	Net Available for Debt	Debt Service		Coverage
6/30	Revenue <sup>(1)</sup>	Expenses	Service	Principal	Interest <sup>(2)</sup>	Ratio
University of Florida						
2011	44,885	27,209	17,676	2,235	2,625	3.64
2012	45,673	33,519	12,154	2,630	2,265	2.48
2013	48,964	32,770	16,194	3,680	3,125	2.38
Florida Atlantic University						
2011	14,802	6,119	8,683	2,405	3,357	1.51
2012	16,299	6,419	9,880	2,585	3,177	1.71
2013	16,498	7,481	9,017	2,690	3,077	1.56
University of Central Florida						
2011	22,872	11,509	11,363	2,740	3,766	1.75
2012	24,712	11,910	12,802	2,985	3,382	2.01
2013	25,577	14,208	11,369	3,125	5,117	1.38
Florida State University						
2011	32,671	16,925	15,745	3,215	5,628	1.78
2012	35,639	16,416	19,223	3,815	5,998	1.96
2013	39,011	15,963	23,048	4,140	5,652	2.35
Student Health and Wellness Center Revenue Bonds						
University of Central Florida						
2011	10,856	.....	10,856	320	299	17.55
2012	12,754	.....	12,754	345	271	20.70
2013	13,243	.....	13,243	360	256	21.50
Florida State University						
2011	8,734	.....	8,734	.....	.....	3.67 <sup>(4)</sup>
2012	13,404	.....	13,404	1,075	1,305	5.63
2013	14,232	.....	14,232	1,110	1,272	5.97
University of North Florida						
2012	3,834	.....	3,834	400	929	2.88
2013	3,985	.....	3,985	410	618	3.88
Bookstore Revenue Bonds						
University of Central Florida						
2011	1,978	434	1,543	195	95	5.31
2012	1,788	485	1,303	220	76	4.40
2013	1,880	401	1,479	230	65	5.02
Student Services Center Revenue Bonds						
Florida Agricultural & Mechanical University						
2011	2,603	1,396	1,207	365	159	2.29
2012	2,416	1,153	1,263	385	141	2.40
2013	2,197	1,395	802	405	120	1.53
Water Pollution Control Bonds						
2011	96,063	.....	96,063	21,285	19,019	2.38
2012	120,674	.....	120,674	25,405	24,721	2.41
2013	87,796	.....	87,796	34,155	23,514	1.52
Inland Protection Bonds						
2011	211,533	.....	211,533	5,080	4,695	21.64
2012	189,683	.....	189,683	5,335	3,403	21.71
2013	188,346	.....	188,346	5,605	3,181	21.44

<sup>(1)</sup> Refer to Note 8A.2. for information on the sources of pledged revenues.

<sup>(2)</sup> Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.

<sup>(3)</sup> Source Department of Lottery, Audited Financial Statements.

<sup>(4)</sup> Coverage shown based on maximum annual debt service of \$2,382,950 for illustrative purposes.

<sup>(5)</sup> In Fiscal Year 2008, Florida Hurricane Catastrophe Fund executed a \$3.5 billion liquidity bond issue. The proceeds of the issue were used to redeem the bonds at maturity in Fiscal Year 2013. The coverage ratio shown is based only on the net revenue and does not include the bond proceeds used to redeem the bonds. Including the bond proceeds, the coverage ratio is 1.35.

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# 2013 STATE OF FLORIDA CAFR

## Demographic and Economic Statistics For the Last Ten Calendar Years

## SCHEDULE D-1

Year	Population				Personal Income (in millions)	
	Florida - April 1	Percent Change from Prior Year	U.S. - July 1	Percent Change from Prior Year	Florida	U.S.
2004	17,374,824	2.33%	292,805,298	0.93%	593,302	10,049,200
2005	17,778,156	2.32%	295,516,599	0.93%	647,195	10,610,270
2006	18,154,475	2.12%	298,379,912	0.97%	703,288	11,389,840
2007	18,446,768	1.61%	301,231,207	0.96%	731,746	11,995,740
2008	18,613,905	0.91%	304,093,966	0.95%	736,198	12,430,568
2009	18,687,425	0.39%	306,771,529	0.88%	696,487	12,082,091
2010	18,801,332	0.61%	309,330,219	0.83%	725,436	12,435,193
2011	18,905,070	0.55%	311,587,816	0.73%	761,303	13,191,317
2012	19,074,434	0.90%	313,873,675	0.73%	792,255	13,743,772
2013	19,259,543	0.97%	316,128,839	0.72%	815,904	14,126,650

<sup>(1)</sup> Unemployment rates are annualized (average of monthly rates).

<sup>(2)</sup> School enrollment is by state fiscal year and other data are by calendar year, April 1, or July 1.

Note: Historical data are from the US Department of Commerce, University of Florida, the US Department of Labor, Florida Department of Education, and Florida Demographic Estimating Conference.

Forecast data are based on the Florida Demographic Estimating Conference, October 2013; National and Florida Economic Estimating Conferences, November 2013

Sources: Florida Legislature, Florida Department of Education

### State of Florida Population by Age

Age Group	2000 Census	Percent	2010 Census	Percent	2020 Projection	Percent
0 - 14	3,034,656	18.99	3,284,608	17.47	3,547,633	16.78
15 - 24	1,942,430	12.15	2,457,140	13.07	2,556,804	12.09
25 - 44	4,569,515	28.59	4,720,799	25.11	5,224,454	24.70
45 - 64	3,628,573	22.70	5,079,161	27.01	5,498,779	26.00
65 and Over	2,807,650	17.57	3,259,602	17.34	4,320,462	20.43
Total	15,982,824	100.00	18,801,310	100.00	21,148,132	100.00

Source: Forecast from October 2013 Florida Demographic Estimating Conference adjusted by age percentages from Florida Population Studies, Bulletin 166, June 2013, University of Florida, Bureau of Economic and Business Research. Year 2000 Census data incorporates adjustments for age misreporting prepared by the University of Florida, Bureau of Economic and Business Research.

Per Capita Personal Income		Unemployment Rate <sup>(1)</sup>		Median Age	Public School Enrollment <sup>(2)</sup>
Florida	U.S.	Florida	U.S.	Florida	Florida
34,147	34,320	4.7%	5.5%	39.6	2,596,524
36,404	35,904	3.8%	5.1%	39.7	2,634,223
38,739	38,172	3.3%	4.6%	39.9	2,668,337
39,668	39,822	4.0%	4.6%	39.9	2,662,701
39,551	40,877	6.3%	5.8%	40.1	2,652,684
37,270	39,385	10.4%	9.4%	40.4	2,628,754
38,584	40,200	11.3%	9.6%	40.6	2,634,382
40,270	42,336	10.3%	8.9%	40.9	2,643,396
41,535	43,788	8.6%	8.1%	41.0	2,667,830
42,364	44,686	7.2%	7.4%	41.1	2,691,322

**Industry Sector Employment**  
**For Calendar Years 2012 and 2003**  
**(in thousands)**

## SCHEDULE D-2

Industry	2012		2003	
	Employment	Percentage of Total Employment <sup>(1)</sup>	Employment	Percentage of Total Employment <sup>(1)</sup>
Retail Trade	979	13.08%	939	12.79%
Health Care and Social Assistance	969	12.95%	815	11.10%
Accommodation and Food Services	803	10.73%	712	9.70%
Local Government	737	9.85%	717	9.77%
Administrative and Waste Services	536	7.16%	508	6.92%
Professional and Technical Services	448	5.99%	385	5.24%
Construction	342	4.57%	524	7.14%
Finance and Insurance	337	4.50%	338	4.60%
Wholesale Trade	318	4.25%	322	4.39%
Manufacturing	317	4.24%	410	5.59%
Total	5,786	77.31%	5,670	77.24%

Note: Privacy requirements prevent the state from obtaining and reporting specific information about the largest employers in the state's jurisdiction. Reporting by industry reveals the degree of concentration in the state's total employment base.

The Florida economy is gradually recovering from the worst recession since record-keeping began in 1970. In December 2012, Florida's seasonally adjusted total nonagricultural employment was 7,452,100, an increase of 135,400 jobs (+1.9 percent) over the year. Florida's annual job growth rate had been positive for 29 consecutive months. Prior to August 2010, the state had been losing jobs for three years. In December 2012, eight out of the ten major industries gained jobs over the year with leisure and hospitality (+43,400 jobs) gaining the most jobs followed by trade, transportation, and utilities (+39,200 jobs). Two major industries continued to experience job losses over the year with government losing the most jobs (-13,600).

<sup>(1)</sup> "Employment" is being calculated based on average total employment by industry for each calendar year. Ratios of "Total" employment are based on the following:

	2012	2003
Total non-agricultural employment (in thousands)	7,400	7,242
Total agricultural employment (in thousands)	84	99
Total employment	7,484	7,341

Sources: Florida Department of Economic Opportunity, Labor Market Statistics Center, Current Employment Statistics Program, Quarterly Census of Employment and Wages Program, and the University of Florida.

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**Full-time Equivalent (FTE) State Employees by Function  
Last Ten Fiscal Years**

## SCHEDULE E-1

Function	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Financial administration	15,453	15,498	15,416	15,551	15,409	15,510	15,542
Streets and highways	7,356	7,173	7,074	7,030	7,156	7,229	7,048
Public welfare	19,369	17,194	12,673	12,458	12,507	12,528	12,723
Police protection	5,270	5,314	5,342	5,355	5,248	5,137	5,079
Natural resources	7,711	7,691	7,698	7,791	7,761	7,773	7,687
Health	15,197	15,583	15,959	16,434	16,388	17,105	16,917
Housing	29	27	28	29	28	27	28
Community development	291	277	292	303	284	289	256
Criminal justice and corrections	37,710	38,870	39,555	40,756	40,558	40,555	41,229
Utility and transportation	346	317	315	296	323	321	315
Employee security	1,307	1,345	1,315	1,272	1,243	1,269	1,439
Education	2,367	2,386	2,461	2,481	2,499	2,359	2,251
State courts	2,735	3,869	4,137	4,457	4,401	4,113	4,117
Other	2,024	2,007	2,154	2,140	2,059	1,908	1,802
Total	<u>117,165</u>	<u>117,551</u>	<u>114,419</u>	<u>116,353</u>	<u>115,864</u>	<u>116,123</u>	<u>116,433</u>

Note: FTE's are calculated based on a 40 hour work week. A numerical designator is based on 100% for a full-time employee (i.e. 1.00 point or FTE). All others are pro-rated accordingly.

Sources: Florida Legislature, Florida State Courts System, Florida State Board of Administration, Florida Justice Administration Commission, Florida Department of Management Services

Fiscal Year		
2011	2012	2013
15,212	16,778	25,974
6,751	6,116	5,821
12,278	14,148	13,784
4,981	5,201	5,181
7,481	7,437	7,245
16,303	15,437	14,957
31	39	87
278	53	37
39,051	35,875	25,524
301	270	269
1,481	1,563	1,384
2,272	2,251	2,184
4,009	4,042	4,097
1,724	2,698	999
<u>112,153</u>	<u>111,908</u>	<u>107,543</u>

**Operating Indicators by Function**  
**Last Ten Fiscal Years**

## SCHEDULE E-2

	Fiscal Year				
	2004	2005	2006	2007	2008
<b><u>General Government</u></b>					
<b>Department of Revenue</b>					
Total administered taxes ( <i>in millions</i> )	30,756	34,742	38,736	37,477	34,152
<b>Department of Management Services <sup>(1)</sup></b>					
Number of retired members covered	224,813	236,974	250,496	263,198	274,842
<b><u>Education</u></b>					
<b>Universities</b>					
University enrollments	271,337	277,583	287,375	294,016	301,135
Degrees awarded	58,554	59,771	61,215	64,778	68,423
<b><u>Human Services</u></b>					
<b>Department of Health <sup>(2)</sup></b>					
Number of live births	218,045	226,219	237,166	239,120	231,417
Number of deaths	168,364	170,300	169,365	167,708	170,473
<b>Department of Children and Families</b>					
Food stamp recipients	1,238,517	1,286,530	1,248,359	1,266,308	1,523,273
Food stamp households	602,323	629,685	623,270	650,277	783,282
<b><u>Criminal Justice and Corrections</u></b>					
<b>Department of Corrections</b>					
Inmate admissions	31,896	32,204	35,098	37,864	41,054
Community supervision admissions	100,557	99,616	103,387	107,203	107,861
Facility population	81,974	84,901	88,576	92,844	98,192
<b><u>Natural Resources and Environment</u></b>					
<b>Department of Environmental Protection</b>					
State park and trail visitations	19,106,966	17,296,273	18,174,879	19,516,852	20,737,052
<b>Florida Fish and Wildlife Conservation Commission</b>					
Fishing and hunting licenses holders	1,272,549	1,221,884	1,471,395	1,538,965	1,588,227
<b><u>Transportation</u></b>					
<b>Department of Highway Safety &amp; Motor Vehicles</b>					
Registrations <sup>(4)</sup>	17,948,464	18,762,439	21,773,396	22,126,592	22,125,361
Titles issued <sup>(4)</sup>	6,477,928	6,829,690	7,181,742	6,668,861	5,920,326
Traffic crashes <sup>(2)(3)</sup>	252,902	268,605	256,200	256,206	243,342
<b>Department of Transportation <sup>(2)</sup></b>					
Daily vehicle miles traveled ( <i>in thousands</i> )	280,754	292,398	300,010	303,603	305,253
<b><u>State Courts</u></b>					
<b>State Courts System</b>					
Number of cases filed/added:					
Circuit criminal defendants	193,870	199,009	219,157	230,417	235,451
County criminal	489,422	485,864	509,525	523,274	515,552
County civil	473,660	425,012	479,514	541,823	615,290
Traffic	523,072	510,513	571,858	604,054	618,506
Family court	378,429	365,990	365,468	356,485	350,477
Circuit civil	178,970	162,116	164,245	226,288	418,579
Probate	108,183	109,505	111,583	105,486	102,532

Note: Items denoted as unavailable have not been calculated for reporting as of the date of this CAFR.

<sup>(1)</sup> The Florida Retirement System includes retirees from six major employer groups.  
(The State of Florida, State University System, Counties, School Boards, Community Colleges,  
and Cities & Special Districts)

<sup>(2)</sup> Information for this agency and/or item is only reported by calendar year. Information reported  
in each column represents calendar year ended December 31.

<sup>(3)</sup> Effective July 1, 2012, Section 316.066, F.S., was amended to require all law enforcement agencies to report  
additional crash data to Department of Highway Safety and Motor Vehicles. The 2012 data may  
appear to reflect an increase in crashes, the statutory change resulted in more crash reports being received  
for reporting.

<sup>(4)</sup> Includes motor vehicles, manufactured homes and vessels

Sources: Florida Department of Revenue, Florida Retirement System, Florida Board of Governors,  
Florida Department of Health, Florida Department of Children and Families, Florida Department of Corrections,  
Florida Department of Environmental Protection, Florida Department of Agriculture and Consumer Services,  
Department of Highway Safety and Motor Vehicles, Department of Transportation, Florida State Courts

Fiscal Year				
2009	2010	2011	2012	2013
30,140	29,677	31,391	31,989	34,659
288,216	302,978	318,881	333,870	347,147
302,513	312,259	321,503	329,737	334,989
70,616	73,579	76,021	79,323	81,260
221,391	214,519	213,237	212,954	Unavailable
169,854	172,509	172,856	175,849	Unavailable
2,109,289	2,726,167	3,170,445	3,326,637	3,581,136
1,084,754	1,452,191	1,725,855	1,815,239	1,962,933
39,354	36,992	34,992	32,279	33,295
100,619	94,387	92,258	90,880	88,819
100,894	102,232	102,319	100,527	100,884
21,458,588	20,110,021	20,442,212	24,983,179	25,575,794
1,605,617	1,576,518	1,534,518	1,638,055	1,544,549
20,918,645	19,496,005	19,197,024	2,024,942	20,259,599
4,901,295	5,104,919	5,361,258	5,039,215	5,362,575
235,778	235,461	227,998	281,340	Unavailable
293,858	286,902	288,007	284,052	Unavailable
209,593	201,785	196,453	188,669	186,117
464,090	433,437	405,248	367,478	361,046
503,314	483,521	459,538	477,024	438,963
538,406	500,316	483,644	472,662	383,776
335,854	347,049	349,222	322,854	289,752
547,194	490,092	293,415	305,732	294,124
98,345	98,553	100,849	101,606	107,144

**Capital Assets by Function**  
**Last Ten Fiscal Years**

## SCHEDULE E-3

	Fiscal Year				
	2004	2005	2006	2007	2008
<b><u>General Government</u></b>					
<b>Department of Management Services</b>					
Buildings	90	90	85	85	85
<b><u>Education</u></b>					
<b>Universities and colleges <sup>(1)</sup></b>					
Assignable square feet (in thousands)	40,114	40,495	41,779	45,460	49,990
<b><u>Human Services</u></b>					
<b>Department of Health</b>					
Buildings	45	48	49	49	53
Vehicles	179	212	209	235	319
<b>Department of Children and Families</b>					
Buildings	514	515	227	211	211
<b><u>Criminal Justice and Corrections</u></b>					
<b>Department of Corrections</b>					
Correctional institutions	58	59	59	60	60
Work camps, forestry camps	35	37	40	41	42
Work release centers	23	26	30	30	32
Other facilities	7	6	6	6	5
<b><u>Natural Resources and Environment</u></b>					
<b>Division of Recreation and Parks</b>					
Number of state parks, greenways and trails	157	158	159	159	161
Acres of land owned	603,953	730,573	723,852	724,629	698,648
<b>Department of Environmental Protection</b>					
Acres of land owned <sup>(2)</sup>	4,143,860	4,257,103	4,316,161	4,429,484	4,500,719
<b>Florida Fish and Wildlife Conservation Commission</b>					
Vehicles	1,591	1,562	1,514	1,519	1,549
<b><u>Transportation</u></b>					
<b>Department of Transportation</b>					
Highway lane miles	40,970	41,295	41,613	42,022	42,181
Vehicles	4,872	5,709	5,841	5,445	5,313
Buildings	1,619	1,584	1,578	1,622	1,691
<b><u>State Courts</u></b>					
<b>State Courts System</b>					
Machinery and equipment	4,496	4,800	7,825	8,608	9,335

<sup>(1)</sup> Universities and colleges are presented in the CAFR as discretely presented component units of the state.

<sup>(2)</sup> Acreage information includes a cumulative total of acres acquired through each program and by donations and exchanges. The Water Management Districts have acquired and hold title to lands through other programs that are not included in this schedule.

Sources: Florida Department of Management Services, Florida Department of Education, Florida Department of Health, Florida Department of Corrections, Florida Division of Recreation and Parks, Florida Department of Transportation, Florida Department of Financial Services, Division of Risk Management, Florida State Courts System, Florida Fish and Wildlife Conservation Commission.

Fiscal Year				
2009	2010	2011	2012	2013
85	85	84	86	88
50,702	51,787	54,488	54,890	56,277
51	57	57	73	36
300	327	328	323	315
211	223	530	296	211
78	62	61	63	55
42	43	41	40	39
34	34	34	33	32
5	5	4	7	16
161	160	160	171	171
700,296	702,730	704,139	788,982	789,059
4,521,508	4,535,931	4,563,632	4,239,023	4,245,742
1,520	1,669	1,637	1,876	1,637
42,542	42,711	42,883	43,138	43,337
5,125	5,125	4,683	4,607	4,703
1,719	1,774	1,745	391	385
9,400	9,760	9,697	9,199	10,495

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CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

